

104  
**NOMINATIONS OF DANIEL R. STANLEY, DAVID  
J. BARRAM, AND MARY A. TERRELL**

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Y 4. G 74/9: S. HRG. 104-712

Nomination of Daniel R. Stanley, Da...

**HEARING**  
BEFORE THE  
**COMMITTEE ON**  
**GOVERNMENTAL AFFAIRS**  
**UNITED STATES SENATE**  
**ONE HUNDRED FOURTH CONGRESS**

SECOND SESSION

ON

NOMINATION OF DANIEL R. STANLEY TO BE A MEMBER OF THE  
POSTAL RATE COMMISSION, DAVID J. BARRAM TO BE ADMINIS-  
TRATOR OF THE GENERAL SERVICES ADMINISTRATION, AND MARY  
A. TERRELL TO BE ASSOCIATE JUDGE OF THE D.C. SUPERIOR  
COURT

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OCTOBER 3, 1996

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Printed for the use of the Committee on Governmental Affairs



U.S. GOVERNMENT PRINTING OFFICE

WASHINGTON : 1996

35-015 cc

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For sale by the U.S. Government Printing Office  
Superintendent of Documents, Congressional Sales Office, Washington, DC 20402

ISBN 0-16-053945-5



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(III)



# NOMINATIONS OF DANIEL R. STANELY, DAVID J. BARRAM, AND MARY A. TERRELL

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THURSDAY, OCTOBER 3, 1996

U.S. SENATE,  
COMMITTEE ON GOVERNMENTAL AFFAIRS,  
*Washington, DC.*

The Committee met, pursuant to notice, at 10:30 a.m., in room S-128, United States Capitol, Hon. Ted Stevens, Chairman of the Committee, presiding.

Present: Senators Stevens and Glenn.

Chairman STEVENS. Call the Committee to order. We have received unanimous consent to hold this hearing to consider the nominations of Dan Stanley to serve as a member of the Postal Rate Commission, David Barram to be administrator of the General Services Administration, and Mary Terrell to be associate judge of the D.C. Superior Court.

Our Committee rules require that a nominee give their hearing testimony under oath, so if you will all please stand and raise your right hand. Do you solemnly swear to tell the truth, the whole truth, and nothing but the truth in the statements you make here today and affirming your statements you have made and submitted to this Committee.

Mr. STANLEY. I do.

Mr. BARRAM. I do.

Ms. TERRELL. Yes.

Chairman STEVENS. This morning's hearing is going to be brief under the circumstances, but the printed record will provide complete information on each of the nominees. All have been reviewed for experience, qualifications, suitability, and integrity to serve in the position to which they have been nominated. Each has provided biographical and financial information. Mr. Stanley and Mr. Barram have also responded to written prehearing questions. Without objection, this information will be made part of the hearing record with the exception of the financial data which is on file and available for public inspection in the Committee offices. In addition, any statements from the nominees or members of the Committee who could not be present will be included in the record.

Chairman STEVENS. We have some questions that we always ask each nominee, so let me ask the questions. Then we are going to print your answers. Each of you will have a separate hearing record here.

So let me ask first you, Mr. Stanley, is there anything you are aware of in your background which might present a conflict of in-

terest with the duties of the office to which you have been nominated?

Mr. STANLEY. No, sir.

Chairman STEVENS. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. STANLEY. No, Mr. Chairman.

Chairman STEVENS. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Mr. STANLEY. Yes.

Chairman STEVENS. Now to you, Mr. Barram, same questions. Is there anything that you are aware of in your background which might present a conflict of interest with the duties of the office to which you have been nominated?

Mr. BARRAM. No, sir.

Chairman STEVENS. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Mr. BARRAM. No, sir.

Chairman STEVENS. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of Congress if you are confirmed?

Mr. BARRAM. Yes, sir.

Chairman STEVENS. Now, Ms. Terrell, is there anything you are aware of in your background which might present a conflict of interest with the duties of the office to which you have been nominated?

Ms. TERRELL. No, Mr. Chairman.

Chairman STEVENS. Do you know of any reason, personal or otherwise, that would in any way prevent you from fully and honorably discharging the responsibilities of the office to which you have been nominated?

Ms. TERRELL. No, Mr. Chairman.

Chairman STEVENS. Do you agree without reservation to respond to any—I do not think that applies to you as a judge. We will not ask you that question.

Senator Glenn, do you have any questions or a statement to make?

Senator GLENN. No, I have no questions. The only statement I would make, several people from Cleveland or from Ohio have been in contact with me wanting to come in for this and I am sorry it has been on such short notice, particularly a couple of people, Wilma Jackson, Lucy Buckner I know are good friends and they wanted to come in. So I am sorry this had to be done so shortly. But I know you are glad to get it done anyway.

Ms. TERRELL. Yes, sir. Thank you, Senator.

Senator GLENN. I have no further questions, Mr. Chairman.

Chairman STEVENS. We do apologize for the circumstances of this hearing. We have been waiting final papers for the final nominee and they arrived yesterday. I appreciate everyone's cooperation in permitting the hearing to be held on such short notice. As I said,



we do have unanimous consent that the hearing can be held. I will seek unanimous consent to discharge the Committee today. It is easier than trying to get a special meeting of the Committee. We expect unanimous consent to discharge the Committee and hope that we will be able to confirm your nominations before we adjourn tonight.

Thank you very much.

Senator GLENN. Mr. Chairman, do we need votes of the other members of the Committee; do we need a rolling vote today or anything on this?

Chairman STEVENS. We asked, they said if there is no objection to the request, we will just ask unanimous consent to discharge the Committee and not have to go through that procedure. We want to get this upstairs as quickly as possible. We expect to move it within the hour.

Mr. STANLEY. Thank you very much.

Ms. TERRELL. Thank you.

Mr. BARRAM. Thank you, Mr. Chairman.

Chairman STEVENS. Thank you.

[Whereupon, at 11:04 a.m., the Committee was adjourned.]



# A P P E N D I X

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REMARKS BY DANIEL R. STANLEY  
NOMINEE  
POSTAL RATE COMMISSION  
BEFORE THE  
SENATE COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. Chairman, Mr. Glenn, Members of the Committee: It is indeed an honor to be before you today. I greatly appreciate the Committee's willingness to entertain my nomination for the Postal Rate Commission, especially during this very busy period when the Senate is seeking to wrap up the business of the 104th Congress. In my seven years serving the Senate and Senator Dole, I have come to know and associate with many Members of this Committee. I hold the highest respect for each of you, for this committee, and for the United States Senate. These past seven years have been the most rewarding of my life. I hold public service in the highest regard and so it is a particular honor that I have been nominated to continue that service as a member of the Postal Rate Commission.

While the Postal Rate Commission is a generally little known agency, I fully recognize and appreciate the reach and import of its enormous responsibilities. At the very core of these responsibilities is the charge of maintaining the public trust on matters of setting postal rates and establishing or modifying classes of mail. A full and open process subject to public scrutiny is vital to the credibility of both the Postal Service and the Postal Rate Commission.

Rapidly emerging technology, competing services, and the increasing demands of timely information flow will present tremendous challenges to the Postal Service and the Commission in the coming years. I look forward to working with the Postal Service, the Congress, and my fellow commissioners to address these challenges.

Let me briefly touch on my qualifications for this position. In my years of service to the Senate and to Senator Dole, I have served as an advisor on defense and national

security issues, Senator Dole's Administrative Assistant, and as his Legislative Director. I have gained knowledge on a wide variety of issues and legislation. In most cases, as Members of this Committee are very much aware, there are competing and sometimes conflicting positions and information on nearly every issue. In addition, decisions rendered in the form of legislation or regulation invariably have consequences which extend far beyond the immediate issue. I have gained a deep appreciation for the secondary and tertiary affects of actions by government and I believe that this appreciation will serve the Commission well. In my former positions as a strategic planner in the aerospace industry I was charged with the responsibility for economic and market forecasts. In particular, I was responsible for analyzing the affects of government decisions, budgetary changes, regulatory affects, economic factors and trends, on both the domestic and the international aerospace market segments. These analyses served as the foundation for corporate business decisions for both the long and short term. I believe that these experiences will serve me well in considering cases before the Commission.

Finally, if confirmed, I pledge to you that I will do everything in my power to render informed, prudent judgement on all matters presented to me in my role as Commissioner.

Mr. Chairman, that concludes my statement. I am willing to answer any questions that you or the other members of the Committee might have.

**A. BIOGRAPHICAL INFORMATION****1. Name:**

Daniel Raymond Stanley, Sr.

**2. Position to which nominated:**

Member, Postal Rate Commission

**3. Date of Nomination:**

October 2, 1996

**4. Address:**

Residence: 7413 Reservation Drive, Springfield, VA 22153

Office: 141 Hart Senate Office Building,  
Washington, D.C. 20510

**5. Date and place of birth:**

September 29, 1951  
Kansas City, Kansas

**6. Marital status:**

Married to Kay Carol Armstead

**7. Names and ages of children:**

Elizabeth Kay Stanley, 26  
Daniel R. Stanley Jr., 18

8. Education: List secondary and higher education institutions, dates attended, degree received and date degree granted.

secondary:

Washington High School 1966-1969 (graduated);  
Cushing Academy, 1969 (post grad semester)

college:

University of Kansas  
Lawrence, Kansas  
1970-1973

Empire State College, State University of New York  
Saratoga, New York  
1976-1979  
B.S. Nuclear Technology, November 1979

Armed Forces Staff College  
Norfolk, Virginia  
1983  
Command Control Communications and Intelligence Course

9. Employment Record: List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.

United States Navy (active) 1973-1985; enlisted 1973-1980, commissioned 1980-1985  
(Reservics) 1985-1996, Commander USNR (ret)

Instructor, Knolls Atomic Power Laboratory 1975-1977  
USS Batfish 1977-1980  
Officer Candidate School 1980  
USS Woodrow Wilson 1981-1983  
Joint Chiefs of Staff 1983-1985  
Navy Reserve Officer, 1985-1996

Manager, Strategic and Space Systems, Washington Studies and Analysis Group,  
McDonnell Douglas Astronautics Company, 1985-1987. Managed study program of  
strategic forces and warning systems for DoD customers.

Manager, Market Development, McDonnell Douglas Corporation, 1987-1989.  
Developed 10 year business forecast for corporate planning.

Director, Strategic Business Assessment, McDonnell Douglas Corporation, 1989. Market forecasting, international business assessment, staffed mergers and acquisitions, review of corporate funded R&D.

Assistant to the Republican Leader, Defense Policy, 1989-1992. Served Senator Robert Dole as defense policy and program advisor, member of the Senate Arms Control Observer Group staff.

Administrative Assistant, Senator Robert Dole, 1992-1996. Managed legislative and case work staff. Served as legislative director.

Chief of Staff, Senator Sheila Frahm, 1996-present. Managed legislative and case work staff. Provided orientation and start up functions for the newly appointed Senator.

10. Government Experience: List any advisory, consultative, honorary or other part-time service or positions with Federal, State, or local governments, other than listed above.

Served as a member of the Governor's Task Force on Ft. Riley, Kansas, 1994-1995. Task force to design strategies to enhance the fort's position prior to the 1995 base closure round.

11. Business Relationships: List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Partner, Scott Stanley Realestate & Investment Corporation, 1980-present. A family owned subchapter S corporation.

12. Memberships: List all memberships and offices held in professional, business, fraternal, scholarly, civic, public, charitable and other organizations.

Advised the Armed Forces Communications & Electronic Association for their spring symposium, unpaid, 1993.

Member, Reserve Officers Association, 1988.

Member, Army Navy Country Club, 1984-present. Currently in inactive status.

American Legion, Life Member 1995

## 13. Political affiliations and activities:

- a. List all offices with a political party which you have held or any public office for which you have been a candidate.

Chairman, Wyandotte County Teenage Republicans, 1967-1968.  
Never filed as a candidate for any public office

- b. List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Volunteer, Dole for President, 1987-1988  
Volunteer, Bush for President, 1988, 1992  
Volunteer, Bill Graves for Governor, 1994  
Volunteer, Sam Brownback for Congress, 1994  
Volunteer, Dole for President, 1995-1996

- c. Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past 5 years.

None.

## 14. Honors and awards: List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognition for outstanding service or achievements.

Military medals: Joint Service Commendation  
Navy Achievement Award  
Navy Unit Commendation  
Meritorious Unit Commendation  
Good Conduct Award  
National Guard Distinguished Service Medal

## 15. Published writings: List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

"What if Nuclear War Began Tomorrow", article for Conservative Digest, January, 1987.



16. Speeches: Provide the Committee with three copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

None.

17. Selection:

(a). Do you know why you were chosen for this nomination by the President?

My experience in various capacities as a staff member to the Senate Majority Leader, Senator Robert Dole has provided me with exposure and insight to numerous complex issues with competing views, requiring research, analysis, and decision making similar to that undertaken by the Postal Rate Commission. In addition, my background in the private sector where I was responsible for the analysis of economic and business forecasts and their impact on business markets provides me with a firm foundation of factors impacting overhead and pricing.

(b). What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

I possess broad experience in analyzing complex business and market trends, economic factors which impact those markets, and the ability to assess their impacts on large corporations. My expertise in the field of strategic planning provides me with an appreciation for analyzing the long term implications of decisions.

In addition, I have seven years experience in the legislature where my duties included assessing the impact of legislative, regulatory, and budget proposals on federal agencies and business. My experience working with the base closure process provided me with insight and understanding as to the economic and social impact of such closures on states and localities.

## B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

Yes.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

Should the Committee determine that my continued partnership in the Scott Stanley Realstate & Investment Corporation does not constitute a conflict of interest, it would be my intention to continue that business relationship.

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

Yes.

### C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

I am a partner of the Scott Stanley Real Estate & Investment Corporation. This is a family owned subchapter S corporation organized by my father, Scott Stanley. There are five partners, which besides me include my two brothers and two sisters. The corporation carried the original name from my father's company prior to his retirement, but it is not active in Real Estate or investments. The corporation has no assets per SE, rather it receives a percentage of the fees paid to a land fill in Kansas for deposits. This percentage is in payment for the real estate commission which my father was due as agent for the acquisition of the property. A copy of my letter of explanation to the Senate Ethics Committee is attached.

I am currently vested in the Federal Retirement System and invested in the Thrift Savings Plan.

2. Indicate any investments, obligations, liabilities or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

None.

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.

These have been my professional duties as a Senate staffer for the past seven years.

The article referenced in section A, question 15 advocated the deployment of strategic defenses as a counter to the Soviet nuclear threat which existed in 1987.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items.

I do not perceive any conflict of interest with the duties at the Postal Rate Commission. However, should there be any potential conflict with a case before the Commission, I would promptly seek counsel from the agency's ethics officer.

6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your serving in this position?

Yes.

#### **D. LEGAL MATTERS**

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group?

No.

2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense?

No.

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation?

No.

4. Have you ever been convicted (including pleas of guilty or nolo contendere) of any criminal violation other than a minor traffic offense?

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

I have provided the Senate Majority Leader's Office, Senator Dole, and the State of Kansas my best efforts and best judgement during my seven years of service in the U.S. Senate. I believe that I possess the intellect, demeanor, and integrity to function as an effective commissioner for the Postal Rate Commission. I believe public service to be an honorable pursuit and a worthy calling.

**PRE-HEARING QUESTIONS FOR  
DANIEL R. STANLEY, SR.  
TO BE A COMMISSIONER OF THE POSTAL RATE COMMISSION**

**I. NOMINATION PROCESS AND POTENTIAL CONFLICTS**

1. Were any conditions, expressed or implied, attached to your nomination to be a Commissioner of the Postal Rate Commission?

**No.**

2. Have you made any specific commitments with respect to the basic policies and philosophy which you will follow while a Commissioner of the Postal Rate Commission? If so, please describe these commitments.

**No.**

3. To your knowledge, did persons representing interests subject to Postal Rate Commission regulation actively support or endorse your appointment? If so, please provide details of those activities.

**No.**

4. Is there currently any issue under consideration by the Postal Rate Commission from which you may have to disqualify yourself? If so, please explain.

**No.**

5. Do you have any interest in any corporation, partnership, association, or other entity which is a significant user of the mails or whose interest may be affected significantly by the levels of postage rates or degree of postal service?

**No.**

**II. ROLE AND RESPONSIBILITIES OF THE POSTAL RATE COMMISSION**

1. What do you believe are the most important responsibilities of the Postal Rate Commission?

**The most important responsibility of the Commission is conduct its cases in a**

manner that maintains public trust and confidence in the process of setting postal rates and establishing or modifying classes of mail. To comply with the letter and the spirit of the law governing the Postal Service and the Commission, the process must be open to public scrutiny, informed, thorough, objective and fair. Consequently, one of the most important specific missions of the Commission is to ensure that the evidentiary record is complete with information offered directly by the Service and the intervenors, or in response to interrogatories or requests for information by the Commission itself.

2. What new challenges do you expect to face as a Commissioner of the Postal Rate Commission?

The impact and opportunities of emerging technology, whether in the communications arena as a whole, or in mail processing in specific, will place significant demands on the Commission in the near future. In addition, the potential postal reform legislation could well add new challenges and responsibilities to the Commission's charter.

3. What will be your top priorities and objectives as a Member of the Commission?

Initially, my top priority would be to become fully informed on the issues and evidence presently before the Commission and quickly to develop a full understanding of the precedents already established by the Commission's Recommended Decisions and other rulings. My over-arching priority, however, always would be to assure an environment for open, complete and informed deliberation to take maximum advantage of the new opportunities and information.

Especially in this time of serious consideration of structural change and reform of the laws governing the Service, I think the relationship between the Commission and the Congress is extremely important. I would seek to ensure that the Congress continues to have the confidence to rely on the Commission, its resources and its expert staff, for analysis and information.

Of very significant importance is continuing to develop a good working relationship with the Postal Service, its customers, and even its competitors. By understanding the day-to-day their day-to-day operations can help provide the Commission with a background knowledge unavailable from hearings alone.

4. What contributions do you feel you can make to the Postal Service as a Commissioner of the Postal Rate Commission?

When resolving matters as complex and intricate as the setting of fair and equitable rates and classifications, a fresh perspective, and diversity of experience is useful. I would bring to the Commission a wide range of experience in balancing conflicting positions.

### III. POLICY ISSUES

1. What do you see as the current strength and weaknesses of the Postal Service?

The Postal Service itself. Among its assets are the internal abilities to control its costs and continually improve its service and consequently its reputation and acceptance in the marketplace. Additionally, the commitment of most of its employees to serving the needs of the mailing public is one of the Postal Service's greatest assets. The nationwide network of processing, delivery and retail facilities gives the Service the *opportunity* to provide first rate service to every customer.

However, any shortfall in dependability, and each increase in rates will dim public perception about the efficiency and reliability of the operation and its management. Also, the fact that the Postal Service is available equally to all Americans, whether in Alaska, Arkansas, Tennessee or my own home state of Kansas is a real strength. In order to protect its customer base, and the support of its "public service" opportunity, I believe the Postal Service must protect that reputation carefully.

2. In 1994 the price markup on the direct cost of First-Class Mail, to cover overhead costs, was 67 percent. For third class the markup was about 49 percent. The Postal Service believes that First-Class Mail should assume an even greater share of the overhead to better ensure the economic viability of the organization. However, the Postmaster General has disclosed that business-to-business mail, a critical portion of First-Class Mail, has declined by a third during the past several years as customers turn to electronic alternatives while third class volume has increased.

In view of these trends, do you think it is wise to adopt a pricing strategy that further favors third class mail over First Class?

Of course, the allocation of overhead costs is one of the most complex and contentious issues the Commission considers in virtually every case. Consequently, every Commissioner must begin each case with an open mind to the evidence presented in that specific case. I am committed to that standard, and confident that the Service and the intervenors will present a variety of pricing



options for the Commissioners to consider in each case.

That said, the economic viability of the Postal Service, in my opinion is not simply a product of the allocation of institutional costs, but is even more closely tied with its cost growth as a whole, and the quality and dependability of the service it provides its customers - independent of the particular allocation of overhead to Standard, First or other classes.

3. Following the 1990 dispute over allocation of institutional costs among mail classes with the 29-cent stamp, the GAO suggested that Congress consider amending the nine rate making criteria used for allocating overhead costs and setting postal rates. In particular, GAO addressed the amount of consideration given to demand pricing, which considers the "value-of-service" to the sender.

Although demand pricing is not the only way to address postal competition, do you believe that increased emphasis on demand factors is a necessary component of a rate making strategy to protect the long-run viability of the Postal Service? Why or why not?

While not questioning the prerogative of the Congress to amend the "nine criteria," or any other element of the law, in each case before the Commission, the intervenors and the Postal Service itself already have the opportunity to present evidence supporting greater (or less) weight being given to any of these criteria in a particular instance. In the abstract, however, Congress has already directed the Commission to consider the "value of service" in rate setting.

4. GAO suggested that Congress determine whether volume discounts proposed by the Postal Service would result, as the PRC has ruled, in undue or unreasonable discrimination among mailers. GAO's report noted that private carriers widely use volume discounting as a pricing strategy, and the inability to offer volume discounts prevents the Postal Service from competing head-to-head with Federal Express and United Parcel Service in the business-to-business market.

Given this practice's wide use in the private sector, why should volume discounting not be used by the Postal Service?

While the Postal Service, under its initial legislative mandate, is required to operate in a "business-like" fashion, it remains an arm of the federal government with a special "public-service" opportunity and obligation. My first consideration of any "volume-discounting" proposal, would be to ascertain if the plan could be equally available to all customers, without discrimination. Additionally, I think it would be very important that the benefits of any such plan did not come at the expense of other mailers. It is my understanding that the Postal Service has not

(at least recently) proposed such a plan.

4. Proposals to privatize the Nation's letter mail service have been made often. In its final report of March 1988, the President's Commission on Privatization appointed by President Reagan called for an end to the Postal Service's monopoly and for the sale of its assets through the creation of a Postal Employee Stock Ownership Plan. What are your views on privatization of the Postal Service?

**"Privatization" is a many-faceted word with an incredible range of definitions. While the aforementioned Commission's "privatization" was defined as an ESOP transfer of assets, some would consider mailer "work sharing" a partial privatization of the Postal Service. I believe the Postal Service must work with its customers, employees and contractors to control its costs independent of any "privatization" concept. To me, assuring Americans have "universal service" is the critical background against which any major change in Postal law must be measured.**

5. Other postal-related recommendations proposed in the past have included (1) repeal of the mail monopoly on third class addressed letters, and (2) repeal of restrictions on the deposit of non-Postal Service delivered mail items in private mail boxes. What are your views on the postal monopoly and mail box restriction?

**Both of these subjects are covered in pending legislation, with informational hearings and testimony being provided as late as the last few days of this session of the 104th Congress. Additionally, the GAO has just completed an analysis of the importance of the postal monopoly. Consequently, I think it is appropriate to review this reasoned testimony and report once they are presented and available to the public. When considering the testimony, I would be reading closely to ascertain how the "sanctity of the mail" would be assured.**

6. Among postal administrations which have been "privatized," all but one remain wholly owned by their respective governments. The one exception, the Dutch postal service, is still 70 percent state-owned. In addition, New Zealand and Argentina are moving toward mixed public and private ownership. For the most part, however, what constitutes privatization actually is "commercialization" of government entities to allow them to operate in much the same manner as for-profit, commercial businesses. Experience to date has shown that there generally is an inverse relationship between profitability and price regulation. In other words, the more heavily postal rates are regulated, the less likely are national posts to earn a profit. At a time when we are searching for ways to reduce the massive federal deficit, commercialization of the U.S. Postal Service may well be an opportunity to generate needed federal revenues. To do so, however, could require substantial deregulation of the mail and, consequently, a diminution of the

Commission's roles and responsibilities. How do you feel about such a prospect? How might the Commission's roles and functions be redesigned to facilitate a more competitive, less regulated postal system?

**Of first concern to me would be to assure that a federal agency, especially one with even a limited monopoly, could not *unfairly* participate in the marketplace. Undoubtedly, the mission of the Postal Rate Commission is to ensure compliance with the law, not to simply perpetuate its existence as configured today. Serious and careful consideration is merited, however, before a federal agency is charged with competing in the private sector in order to provide revenues to the general operation of the government.**

**To date, by adopting innovative and new rate design and classification proposals, after thorough and public hearings, I think the Commission has helped the Postal Service serve the public and discharge its mission to "bind the nation together."**

7. Unofficial estimates of the amount of First-Class Mail diverted thus far to competitive communication technologies range from as little as 20 to as much as 35 percent. More importantly, electronic diversion of hard-copy letters is expected to continue at much the same or even accelerated paces. As this occurs, the mix of mail placed in individual mail boxes will change, with advertising accounting for an increasing percentage of hard copy deliveries. Though some advertising certainly is time-sensitive, especially from the point of view of the sender, it may not have quite the same importance to the receiver as some of the mail which increasingly is being diverted to electronic media, such as payroll, pension and assistance payments, and monthly bills. Without suggesting that we would step back from our philosophical commitment to universal delivery, the changing mix of mail might allow us to reduce the frequency and perhaps even the scope of universal delivery, thereby also assisting the Postal Service to lower its operating costs significantly. How do you feel about the possibility of reducing the frequency and maybe even the scope of universal delivery?

**A proposal to change the "nature" of service is precisely the type of Case the Commission is equipped (and required) to handle with a full evidentiary record and opportunity for public participation, including that of the Office of the Consumer Advocate. As this is a matter which could well come before the commission, even in the near future, it would be inappropriate for me to prejudge any evidence which could be presented**

#### **IV. RELATIONS WITH CONGRESS**

1. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you

are confirmed?

**Absolutely.**

- 2 Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of the Congress if you are confirmed?

**Absolutely.**

**BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES****A. BIOGRAPHICAL INFORMATION**

1. **Name:** (include any former names used.)  
**DAVID J. BARRAM**
2. **Position to which nominated:**  
Administrator, GSA
3. **Date of nomination:**  
April 16, 1996
4. **Address:** (List current place of residence and office addresses.)  
Office:  
19th and F Streets NW  
Washington, DC 20405  
  
Residence:  
1905 47th Street NW  
Washington, DC 20007
5. **Date and place of birth:**  
December 27, 1943 - Keene, NH
6. **Marital status:** (Include maiden name of wife or husband's name.)  
Married: Joan Kay Ceder
7. **Names and ages of children:**  
Edward Ceder Barram, 26  
Diane Elizabeth Barram, 24

8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.
  - Christian High School, Cambridge MA (now Lexington Christian Academy, Lexington, MA; attended: 1957-1961; graduated 1961
  - Wheaton College, Wheaton, IL; attended: 1961-1965; graduated 1965; BA
  - Santa Clara University, Santa Clara, CA, attended 1970-1973; graduated 1973, MBA
9. **Employment record:** List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment.
  - Staff Accountant, Price Waterhouse & Co.; Boston, MA; August 1965 - August 1966
  - Navy Officer; Newport, RI, Charleston, SC, Norfolk, VA, Pensacola, FL; August 1966 - December 1969
  - Various management and executive positions, Hewlett-Packard Co.; Palo Alto and Cupertino, CA; January 1970 - April 1983
  - Vice President Finance and Administration and Chief Financial Officer, Silicon Graphics, Inc.; Mountain View, CA; April 1983 - April 1985
  - Vice President Finance and Chief Financial Officer, Vice President Communications, Vice President Corporate Affairs; Apple Computer, Inc.; Cupertino, CA; April 1985 - July 1993
  - Deputy Secretary of Commerce, U.S. Department of Commerce; Washington, DC; October 7, 1993 - March 1996
10. **Government experience:** List any advisory, consultative, honorary or other part-time services or positions with Federal, State, or local governments, other than those listed above.
  - Sunnyvale, CA Planning Commission (appointed): 1980-81
  - Sunnyvale, CA Charter Review Committee (appointed): 1980
  - California State School Superintendent's Advisory Committee on School Management - 1987

11. **Business relationships:** List all positions held as an officer, director, trustee, partner, proprietor, agent, representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.
- Corporate Officer, Apple Computer, Inc.: 1985-1993
  - Substantial shareholder, ISI (Integrated Services Incorporatæd), Lake Oswego, OR; 1987-present; family software business (see additional information in questions C-2 and C-5)
12. **Memberships:** List all memberships and offices held in professional, fraternal, scholarly, civic, business, charitable and other organizations.
- Board Member, National Center on Education and the Economy, Washington, DC.
13. **Political affiliations and activities:**
- (a) List all offices with a political party which you have held or any public office for which you have been a candidate.  
*Candidate, Sunnyvale CA City Council, 1977*
  - (b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.  
*none*
  - (c) Itemize all political contributions to any individual, campaign organization, political party, political action committee, or similar entity of \$50 or more for the past ten years.

**Attachment A: Political Contributions**

14. **Honors and awards:** List all scholarships, fellowships, honorary degrees, honorary society memberships, military medals and any other special recognition for outstanding service or achievements.
- NA
15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.
- In the 5 years before I came to Commerce, I wrote a couple of articles about education reform, mainly in California. One was a column in the LA Times; another was in an article in Education Horizons, a journal targeted for educators. I can probably find these if you need them.

16. **Speeches:** Provide the Committee with two copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

***Attachment B: Speeches***

**At Commerce.**

I gave many speeches during my 2 1/2 years at Commerce, usually about trade and technology. I often set a context for the speech by discussing the dramatic changes in the world. These changes include the way we work, the tools that can help us be productive. Those ideas are relevant to the role of the GSA Administrator.

Although these speeches do not fit the request for "formal speeches", I am enclosing 2 that are representative. One is a recent speech to the Armed Forces Communications & Electronics Association (AFCEA) in which I discussed the Internet, the importance of tools to sort through reams of information, and the need to make decisions based on evidence. The other is a speech to the Kentucky World Trade Conference Governor's Banquet in Louisville. In that speech, I discuss the centrality of a vital trading system in the global economy and some thoughts about technology and change.

**Before Commerce.**

In my days at Apple, I gave a number of speeches, mainly about education and the business-education relationship. None of them were "formal speeches", but I will enclose one that represents that type of speech. Ironically the one that best fits my role as GSA Administrator was given in June 1993, while I was still at Apple.



**17. Selection:**

- (a) Do you know why you were chosen for this nomination by the President?

*See next answer.*

- (b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

*I have almost 30 years of management experience in the Navy, the private sector and most recently a cabinet department.*

**B. FUTURE EMPLOYMENT RELATIONSHIPS**

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

*I did this when I joined Commerce in 1993.*

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

*No.*

3. Do you have any plans, commitments or agreements after completing government service to resume employment, affiliation or practice with your previous employer, business firm, association or organization?

*No.*

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

*No.*

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

*Yes.*

**C. POTENTIAL CONFLICTS OF INTEREST**

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

*None.*

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

We have two groups of investment that were reviewed by the GSA ethics officer to see if there was a potential conflict of interest. See the attached letter dated April 18, 1996, from Allie B. Latimer, GSA's Designated Agency Ethics Official to Stephen D. Potts, Director, Office of Government Ethics (OGE), and letter from Mr. Potts to the Honorable Ted Stevens, Chairman, Senate Committee on Governmental Affairs, dated April 22, 1996.

1. The first is our part ownership in Integrated Services Incorporated (ISI), an Oregon Subchapter S Corp that is owned and run by 2 of my younger brothers.

ISI develops and markets software for the automobile fast lube market. We provided capital for ISI as it started and grew. I have no active role in the management of the company.

Both the DOC and GSA ethics officers have reviewed my relationship with ISI. I believe there is no inherent conflict and further believe that if one did arise, I would recognize it and disqualify myself.

2. The second group of investments is a series of limited real estate partnerships that we invested in during the 1980's. These are **all** passive investments and have been thoroughly reviewed by the GSA ethics officer. Attachment C lists these investments.

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.  
**None.**
4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation or affecting the administration and execution of law or public policy.  
**None.**
5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide a copy of any trust or other agreements.)  
**Although I expect it never to be an issue, I would recuse myself from any decisions that affected any of the real estate properties or my brothers' business (ISI).**
6. Do you agree to have written opinions provided to the Committee by the designated agency ethics officer of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest or any legal impediments to your service in this position?  
**Yes. See the attached response to question C-2 above.**

#### **D. LEGAL MATTERS**

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.  
**No**
2. Have you ever been investigated, arrested, charged or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.  
**No.**
3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.  
**No.**

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense?  
No.
5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.  
None.

E. FINANCIAL DATA

On file in Committee office.



United States

**Office of Government Ethics**

1201 New York Avenue, NW., Suite 500

Washington, DC 20005-3917

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April 22, 1996 ETHICS (AE)

The Honorable Ted Stevens  
Chairman  
Committee on Governmental Affairs  
United States Senate  
Washington, DC 20510-6250

Dear Mr. Chairman:

In accordance with the Ethics in Government Act of 1978, I enclose a copy of the financial disclosure report filed by David J. Barram, who has been nominated by President Clinton for the position of Administrator of General Services.

We have reviewed the report and have also obtained advice from the General Services Administration concerning any possible conflict in light of its functions and the nominee's proposed duties. Also enclosed is a letter dated April 18, 1996, from the Agency's ethics official, which discusses the steps Mr. Barram will take to avoid conflicts of interest.

Based thereon, we believe that Mr. Barram is in compliance with applicable laws and regulations governing conflicts of interest.

Sincerely,

Stephen D. Potts  
Director

Enclosures

bcc: ✓ General Services Administration

Questions for

**DAVID J. BARRAM**

Nominee to be  
**Administrator, General Services Administration**

**NOMINATION PROCESS AND POTENTIAL CONFLICTS**

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1. Why do you believe the President nominated you to serve as Administrator of the General Services Administration?

I believe the President wanted someone with extensive management experience in the private sector, particularly with an orientation to the kind of organizations that are in the forefront of the new management culture. He wanted to continue the progress that GSA has achieved over the past few years.

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2. Are there any issues involving GSA from which you may have to disqualify yourself? If so, please explain.

There are no issues involving GSA from which I must disqualify myself at this time. While I currently have holdings in real property and Integrated Services, Inc., a family-owned computer software company, none of these entities are presently doing business with the GSA.

Should an official matter involving these financial interests come before me, I will refrain from any participation in the matter, and promptly refer such matters to Mr. Thurman M. Davis, Deputy Administrator of GSA.

I am attaching copies of the memorandum and letter from the GSA Office of Ethics to me and Mr. Stephen D. Potts, Director, Office of Government Ethics (OGE), and a letter from Mr. Potts to Senator Ted Stevens, Chairman of the Senate Committee on Governmental Affairs, concerning this matter.

Wednesday, May 29, 1996

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3. The Administrator and Deputy Administrator are sometimes asked to meet directly with vendors who have an interest in the outcome of particular GSA staff decisions and/or contract awards. In other instances, such vendors may rely on outside attorneys or consultants, some with ties to the executive branch, to intervene on their behalf.

What policies and procedures will you follow as Administrator regarding both direct and third-party contacts with such vendors?

Because the Administrator and Deputy Administrator are responsible for the overall operation of the agency, we must be able to meet with members of the public on matters requiring top management attention. I am aware of the statutes and regulations, such as the Procurement Integrity Act and the uniform Standards of Ethical Conduct for Employees of the Executive Branch, which govern ethical conduct in my dealings with members of the public, including vendors. During my contacts with vendors, I will make every effort to avoid even the appearance of impropriety and any action which might otherwise jeopardize the integrity of the procurement process or any other agency decision.

In the instances where meeting with industry is productive to the Government's objectives, I will take the necessary steps to ensure that the public's interests are fully protected. I will ascertain the reason and nature of the meeting, and where appropriate:

- i. consult with legal counsel to ensure compliance with applicable laws and regulations;
- ii. notify the vendors/contractors that any matter concerning pending agency decisions, contract awards, or pending litigation will not be discussed, or, if discussed, will be done only with appropriate GSA program, contracting and/or legal officials present; and

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*NOTE: The following 7 questions relate to my thinking about the mission and challenges we face, including major initiatives I might take. I'd like to answer them in one **general statement**. It follows below the questions.*

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#### **ROLES AND RESPONSIBILITIES OF GSA ADMINISTRATOR**

1. What do you consider to be your basic role and responsibilities as Administrator of GSA?
2. How would you describe the mission of the General Services Administration?
3. What do you believe are the major challenges confronting GSA, and how do you propose to address them?
4. What objectives would you like to achieve in your tenure as GSA Administrator?

#### **GENERAL MANAGEMENT ISSUES**

1. The General Services Administration was established in 1949 to bring central direction to the federal government's essential housekeeping functions, such as supply, information management, and the maintenance and operations of public buildings.
  - a. In your view, how well has GSA fulfilled its mission and what can you contribute to improve its efforts?
  - b. What do you think are GSA's greatest strengths and weaknesses, and successes and failures? Please be specific.
2. GSA is currently undergoing substantial self-assessment and seems to be moving toward a more business-like approach to its day-to-day operations. From your exposure as Acting Administrator, do you have any plans to change or revise GSA's current path, and what would you do to further move GSA into the 21st century?
3. GSA has made a major commitment to reorganization--ending its long-standing monopolies, separating its policy and oversight responsibilities from service delivery, revising its organization structure and improving how it interfaces with agencies, and using private sector practices as benchmarks to reform its mission-support activities and services. Do you support these efforts and what do you plan to do to continue this commitment?



## **General statement about management, strategic direction and change**

The culture of all organizations is changing. Every good organization needs to be thinking how it can constantly reinvent itself. Employees are demanding more responsibility for the quality of their work and for making the organization serve, even thrill, their customers. Managers have to become less "command and control" and more focused on coaching and insuring that the workforce is tuned to a common vision. This is scary to many. It feels like a loss of control and a repudiation of years of learning how to do things, and to an extent, it is exactly that.

As Administrator of GSA, my basic role will be to help the organization – GSA people – work through two fundamental changes and do that while providing excellent service to our customers in the most cost-effective way. The two fundamental changes are this overall culture shift toward employee empowerment and the accompanying national movement toward a smaller government. The President said the era of big government is over. Our job is to respond to that truth.

We may not want to be "smaller" in every area, but we do want to insure that our customers – other federal agencies – get the best value when they buy products, services and space. Sometimes this will mean offloading a service to the private sector. Sometimes it will mean increasing our workforce because we provide the best value (usually lowest cost). In every case, we must aim to be the best provider as determined by our customer.

Being the best provider means being willing to measure ourselves against the best there is, whether that is a fellow federal agency or the best in the private sector. We have begun to do that and, in fact, have discovered that many areas of GSA are as good as or better than similar private sector vendors.

*Our mission will evolve to being the best provider in every area, one that agencies will voluntarily choose.* This will take some time as we fit this goal within the set of laws that govern how federal agencies obtain space, products and services. It will be a special challenge as we seek to develop a policy operation that other agencies *would* voluntarily choose. I am aware of the irony of that last statement. I don't yet know how to do it, but I think we need to accept the challenge of trying.

I want our management team to allow the present pockets of excellence to influence and fertilize the rest of GSA. We need to build a sense of confidence that instills pride as we tell our good story and create a genuine sense of teamwork that starts at the top and breaks down stovepipe organizational structures.

And then there are our people, the 16,000 GSA employees. Like all American workers, they are apprehensive. What will happen to them, to their jobs? I believe our collective responsibility (GSA management, the employees, Congress) is to help them imagine their future beyond their present job. All workers need to learn how to fish rather than

be given a certain area of the pond that can't be encroached upon. We need to accept this challenge also.

**This is not your father's GSA.** The organization that was established in 1949 did its job. It brought central direction to the federal government's essential housekeeping functions. In today's environment, federal agencies want services at low cost, overnight speed, and with a "can I help you in any more ways" spirit. That's what federal employees get from Land's End, Toyota, and Office Depot. So, that's what they want from GSA. We are providing that kind of service in Federal Supply, in Federal Telecommunications and in Information Technology Services and we are beginning to provide it in our Public Buildings Service.

I am very pleased to see this organization's productive reaction to the FORM study. Not only were we surprised and pleased to find that many GSA functions were as good as or better than the private sector, but for those that were not, we have taken steps to make them that good or have outsourced them to the private sector. In addition, we have established interagency relationships, such as the ITC (Interagency Telecommunications Council) to insure that we have the support and ideas of our customers as we craft new agreements for services. I believe that both of these approaches ( "*do it better or outsource it*" and "*engage our customers from concept to agreement*" ) are the foundation for the GSA of the future. In fact, they are the foundation for a "Government that Works Better and Costs Less."

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4. One of the GSA's problems through the years has been the quality and nature of the relationship between headquarters and regional offices. Do you consider this to be a problem? If so, what will you do to improve communication and teamwork between Washington and the field offices?

We do have tension between the regions and headquarters, but that is OK. (Every organization has tension points. Manufacturing companies have it between R&D and Marketing, between Marketing and Sales, between Manufacturing and Finance. On rare occasions, even Congress has been known to exhibit some tension.)

Our job is to make that tension yield greater creativity and accomplishment. Doing that requires a well-understood mission and the kind of thorough communication that creates a widely-felt sense of organizational accomplishment.

As I have said, I believe we are crafting a shared sense of mission of being the best provider of services and products in every area, one that agencies will voluntarily choose – and *the private sector will seek to emulate*.

I have visited most of our regions and met with GSA employees. We have many vehicles for communication that we employ many times each week. My impression is that the culture of GSA brims with a desire for communication. Deputy Administrator

Thurman Davis is especially adept at (and enthusiastic about) creating and exploiting lines of communication.

- 
5. Several GAO and GSA Inspector General reports documented a variety of operational and oversight problems at GSA that were caused by poor management information. GSA lacks the quantity and quality of timely, accurate and reliable information it needs to effectively manage and oversee its various activities and programs. What will you do to correct this situation and measure the effectiveness of any changes?

Very few organizations – public or private – have outstanding information systems. But, most good organizations have good management information. At GSA, we have some good and some not-so-good information systems. And, we have good information, but it takes more than it should to reach it.

I intend to emphasize information, measurement and insightful analysis. We will buy, build or scrounge the systems needed to give us good management information, never forgetting that it is people who collect and analyze information and people who are essential to using it to make evidence-based decisions.

I want enough of the right information available for executives and managers to manage and for all employees to function at top efficiency. That is one key reason why we have established our goal to insure that every GSA employee has access to the Internet by Flag Day.

Last December, GSA established one of the first Chief Information Offices (CIO) in the Federal Government. The CIO, who reports directly to me, has been given the responsibility for an integrated management information system as a means for giving our people the particular and essential information they need. The focus will be on achieving a desired business outcome. I feel by strengthening the quality of information through integrated planning and budgeting, the CIO office will ensure that new systems produce the desired results.

We have also begun to move to activity-based costing, which will make much of GSA's current financial information more useful. Activity-based costing allows all of our costs to be attributable to specific activities for which the agency is responsible. This will finally provide managers with the detailed financial data necessary to manage their business lines more effectively.

- 
6. GAO reported a few years ago that GSA did not have adequate controls to prevent fraud, waste, and mismanagement and frequently contracted with vendors that had histories of poor performance. What has GSA done to improve this situation and, more specifically, do you have any new plans for reducing GSA's risk in this area?

I have not had an opportunity to fully review GAO's 1993 report on this matter. It is my understanding, however, that GSA contracts with thousands of contractors and that GAO found that GSA's Federal Supply Service awarded the vast majority of its contracts to responsible contractors. Nonetheless, I understand that GSA has taken numerous actions to ensure that it provides customer agencies with quality products and services from reliable and trustworthy vendors. Some of the actions that GSA has taken since the report include:

- Conducting classes nationwide for all Procurement Contracting Officers, Administrative Contracting Officers, and Quality Assurance Specialists on improving the quality of contractors.
- Developing a model source selection plan using past performance as an evaluation factor when selecting contractors.
- Establishing the Contractor Alert List (CAL), which identifies contractors that have experienced problems in fully complying with contract requirements.
- Revising the Performance Evaluation and Facilities Report to incorporate detailed past performance data and enhance plant facilities evaluation. This report is used by the Contracting Officer to evaluate the offeror's ability to perform the contract.
- Developing the Supplier Performance Rating System which issues "report cards" to contractors every six months.
- Emphasizing the importance of quality performance when determining whether to exercise contract options.

GSA's efforts are on-going in nature and have contributed to improving the quality of its contractors. A measure of improvement is the Contractor Alert List. As result of implementation of these various corrective actions, the number of suppliers on the list has been reduced by 50% as of May 1996. This reduction is due to improvement in contractors' performance, as well as the fact that FSS is no longer doing business with some of the vendors.

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## GSA OPERATIONS

### **Procurement**

1. GAO issued a report in February 1995 recommending GSA make its leasing process more businesslike by eliminating cumbersome, bureaucratic requirements, and simplifying the overall award process. What actions do you plan to take to improve GSA's leasing process?

First, we accept the overall concern that, in 1996, leasing is not the same as it once was. So, we are eager to change. We have initiated *Can't Beat GSA Leasing*, our brand new program to make sure our leasing specialists have the tools, measurements and support to be as good as they can be. We have gained a wealth of knowledge through our three regional reinvention labs and we have also asked the private sector how they could help us accomplish these same goals. So, we will be able to choose the best from both sectors.

We have sought expressions of interest from the private sector to help us carry out a comprehensive pilot program to provide assistance in executing our leasing program either nationwide or in one or more GSA regions.

Our Business Process Reengineering (BPR) team studied private-sector leasing and our three regional offices, which asked to be laboratory regions, experimented with different ways of improving the leasing process. From this, we have implemented many improvements to our leasing practices, for example:

- eliminating layers of approvals,
- reducing documentation,
- eliminating mandatory lease clauses,
- empowering specialists to make a greater range of decisions,
- canceling unnecessary handbooks and written procedures, and
- implementing the Federal Acquisition Streamlining Act of 1995, which allows shorter contract documents and abbreviated procedures for small leases

Planned future changes include -

- implementing a private-sector pricing structure for charges to customer agencies,
- using broker contracts for real estate services, such as, market surveys, market analysis, negotiations, etc.,
- using commercially available data to demonstrate value instead of appraisals,
- simplifying leasing fire safety and environmental specifications, and
- using electronic technology (INTERNET) for advertising.

- 
2. Many private sector sources question the cost effectiveness of the federal procurement process. They believe its bureaucratic nature drives off competition and drives up costs. What do you believe needs to be done in this area to get acceptable quality while controlling and reducing federal costs?

Many private sector sources think that bureaucracy and competition are not compatible. I probably thought that when I was in the private sector. That was often true, whether it was the old AT&T, the old GM or government agencies who weren't forced to compete. There are still many bureaucracies who are not competitive.

At GSA, we are not going to be one of those non-competitive bureaucracies.

GSA and other agencies should focus their attention on helping train the acquisition workforce on the recent statutory and regulatory changes. We all need to ensure that the workforce is taking full advantage of the reforms that have been made over the past couple years. We need to ensure the word has gotten down to the front line procurement operations and that the cultural changes are taking place at that level.

I believe we can substantially reduce bureaucratic barriers to competition and reduce costs by

- aggressively pursuing the procurement of more commercial products and services,
- tailoring solicitation documents to be more reflective of commercial terms and conditions
- adopting technical requirements that exist in the commercial sector, and
- using more commercial-like acquisition techniques.

Increasing reliance on commercial products and services while using past performance in source selection decisions will enhance the quality that the procurement system produces for its customers.

The Federal Supply Service's (FSS) Multiple Awards Schedule (MAS) is an example of how the Federal government can buy quality commercial items while controlling costs. In fact, as result of the Federal Acquisition Streamlining Act of 1994 and the Federal Acquisition Reform Act of 1995, FSS will develop new ways to achieve these objectives in a competitive and non-bureaucratic fashion.

For example FSS is currently working to improve MAS in the following areas:

- Removing Maximum Order limits
- Revising Price Reduction Clause to encourage Agencies to negotiate a better deal with a schedule contractor whenever possible
- GSA Advantage! On line electronic Shopping, expands the user's ability to actively compare prices, and encourages greater use of electronic data interchange and credit cards as payment methods.

- 
3. The private sector seems to rely more heavily on supply sources that are already available in the marketplace than stocking materials. This controls inventory and overhead costs. How do you see GSA's role in the supply arena changing given the availability of products from the private sector? Can GSA get out of operating supply depots?

GSA manages Distribution Centers in order to provide high demand, consumable items to Government agencies worldwide. GSA uses an econometric model to make decisions about how the items and services it procures will be made available to customers.

Of the \$12.8 billion supported through our Supply and Procurement business line, only \$1 billion is provided through the stock program. For these items, using GSA Distribution Centers is the best value for the Government because of our leverage in the marketplace and the efficiencies in our operations. The other \$11.8 billion is already supported through commercial sources.

GSA Distribution Centers also support an inherently Governmental responsibility in the National Supply System (NSS). GSA and DOD are the major partners in the NSS. Examples of GSA's participation in NSS include:

- a) Responding to anticipated annual emergencies such as wildfires in western states and Alaska. GSA facilities provide 24 hour response teams, selecting and shipping personal fire shelters, fire line tools, food service items, toiletry items, clothing, etc., directly to the fire lines;
- b) Responding to unexpected emergencies and disasters. GSA facilities provided immediate support following:
  - . Oklahoma City Federal Building bombing,
  - . Earthquakes (LA and San Francisco),
  - . Floods (Mississippi and Missouri Rivers),
  - . Hurricanes (South Florida, Virgin Islands, and Hawaii),
  - . Tomadoes,
  - . Riots, and
  - . Haitian Boat and Cuban Refugees.
- c) Supporting DOD actions in Operation Desert Storm, Haiti, Somalia, and currently in Bosnia; and
- d) Supporting socio-economic programs. GSA/FSS facilities provide storage and distribution capability worldwide to National Industries for the Blind (NIB), NISH (formerly National Industries for the Severely Handicapped), and Federal Prison Industries (FPI).

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4. Over the past two Congresses, laws have been enacted to streamline procedures for Federal agency procurements of commercial items. The Congress and Administration have worked together to encourage use of commercial items over items made to unique government specifications, in order to take advantage of such benefits as lower prices and higher quality. Yet, the Committee continues to receive reports of government specifications in GSA procurements for items that are clearly available in the commercial marketplace, such as lighting fixtures and cement blocks.
- a) What is your view of when GSA should buy items built to government-unique specifications, and when GSA should buy commercial off-the-shelf items?

GSA/FSS buys commercial off-the-shelf (COTS) items whenever they satisfy the needs of our customers. The vast majority of items for which we contract are, in fact, COTS items. The use of detailed Government specifications is reserved for those occasions when there are either no commercial items available that will satisfy Government needs, or a critical end use is involved, such as a military application or one involving health or safety, such as fire suppression.

- b) What will you do to break down GSA's internal resistance to buying commercial off-the-shelf items?

I have seen no internal resistance to buying COTS items. In fact, in my limited exposure to FSS, I have seen a group that is adamantly committed to contracting for COTS items. They have been doing so for a number of years, and have achieved notable success. As previously mentioned, the vast majority of the items we manage are in this category.

- Lighting Fixtures and Cement Blocks

The specific reports about lighting fixtures and cement blocks seem to me to general concerns that the changes we face from a new, more efficient marketplace may not be good. In fact, the examples actually prove the point. We buy off the shelf unless there is a specific reason we should not. Sometimes we face inconsistent legislation and we have to wend our way through it. This may be such a case.

It is my understanding that the Department of Commerce recently published revised guidance for the acquisition of modular construction products. The new guidelines require agencies to conduct market research to determine the commercial availability of modular construction products such as concrete blocks and lighting fixtures, before designing a construction project in metric.

The issues raised in the construction area are the product of a desire to effectively implement the metric policy rather than an aversion to buying commercial off-the-shelf items. The Commissioner of the Public Buildings Service has informed his construction



program managers of the new guidance on the acquisition of modular metric construction products and has issued clear direction that the guidance be followed as a matter of policy.

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## INFORMATION TECHNOLOGY

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### **General statement**

Information technology is such a broad and pervasive subject that I would like to address it in a general way before answering the specific questions.

All of us, the Administration, the Congress, the federal worker, have embarked on a remarkable journey. We are changing the very nature of how we work, how we govern and how we provide the best service at the lowest cost. We are doing this by using the new tools that technology has given us, the amazing amount of information available, and our emerging willingness to use them both together.

So, we need to look at "information" and "technology" in new ways. We will talk, here, about information technology, but we are trying to think about not just systems that process data (an essential foundation), but also how we gather and use information, whether it be manually or with a highly sophisticated, networked computer system.

GSA was once the government's IT cop. The days of that "cop" role are probably over. OMB will be taking on some of it, but I think the responsibility must reside in the agency where a system is centered. In this new world, the question around cross-agency systems, it seems to me, changes quite dramatically. As with most "management" these days, the main responsibility for systems should rest with the lowest level, certainly no higher than the agency head. As part of the executive branch, we need to be as collaborative as we possibly can, we have to keep our eye on the private sector for good ideas, and we have to be constantly innovating. Today, we need to ask ourselves how to engage interagency teams to bring the best expertise to bear and help each other do cost effective development.

The recent success of the Telecommunications Interagency Management Council gives us some sense of the possible. We have also done some pretty good work in our regional IT consulting group, which provides an array of services for federal agencies.

There is a lot of change ahead of us. We can be proud of the successes we have achieved, but be always willing to share ideas and outsource when that is the best step.

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**Government wide**

1. The Information Technology Management Reform Act of 1996, just enacted, repeals the authority of the GSA Administrator for the Government wide acquisition and management of information technology under the Brooks Act. Yet, GSA has specific authority for FTS 2000 and for creating a computerized, government wide system for providing information on products and services available through GSA's multiple award schedules. Further, GSA has general authority under several other statutes for procurement and management.
  - a) What is the extent of the role that you see GSA playing in the area of Government wide and cross-cutting issues in information resources management and information technology?

I am expecting positive things from the changes. I think OMB has taken strong steps to help federal agencies cope with the explosion in the cost and complexity of information technology. And, we are ready to help in any way we can.

In support of OMB, we expect to participate on interagency review boards, support the three committees being established, and help carry on successful programs like the *Trail Boss* program and the *1,000 by the Year 2000* program.

Through our own cross-agency work, we are focused on providing high quality products and services to our federal customers:

We will continue to manage the FTS2000 and post-FTS2000 by combining the successful interagency council and our demonstrated skill at negotiating with the large and increasingly interrelated telecommunications companies.

- The IMC is comprised of senior telecommunications managers who represent the heads of executive agencies and who advise the GSA Administrator on the content and conduct of telecommunications programs managed by GSA. These include the current FTS2000, the post-FTS2000 programs and GSA's local telecommunications services program. Through these programs GSA provides cost-effective end-to-end telecommunications services to Government agencies today as well as new services that will become commercially available in the future.
- The IMC is assuming a new, broader role in Government wide telecommunications. The IMC, working with GSA, intends to foster an integrated, coordinated, cost-effective, government-wide approach that supports Federal agencies in their telecommunications strategies. We in GSA and the IMC will continue the practice of aggregating government requirements to obtain the benefits of volume pricing. This approach offers substantial advantages in the new competitive market structure that will result from the recent deregulation of the telecommunications industry strategies. We in GSA and the IMC will continue the practice of aggregating government requirements to obtain the benefits of volume pricing. This

approach offers substantial advantages in the new competitive market structure that will result from the recent deregulation of the telecommunications industry.

In the months since the Act was signed into law, more than 25 departments and independent agencies have joined in a Federal Chief Information Officer Working Group to implement the CIO concept across government. The Federal CIO Working Group, meeting monthly, is a vehicle for agency input on the implementation of specific aspects of the legislation. The Working Group meetings provide agencies an opportunity to share advice, information and "lessons learned" on the capital planning process, investment control, the roles and responsibilities of a Federal CIO, and other IT management issues.

Specifically, GSA and the Council are working to:

- Share experiences, ideas, and promising practices, including process re-engineering, to improve the management of information technology;
- Identify opportunities for cross-agency cooperation in using IT to support common functions;
- Assess and recommend actions on the staffing and professional development needs of the Federal government with respect to information resources management;
- Provide advice and counsel to the Office of Management and Budget (OMB), the National Institutes of Standards and Technology, and other federal agencies and boards on information resources management issues; and
- Seek the views of federal, state and local governments, industry and academia on matters of concern to the Council.

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b) What role do you see GSA playing in establishing Government wide standards?

GSA is involved in two types of government-wide standards in the information technology area: Federal Information Processing Standards and Federal telecommunications Standards.

Under the Computer Security Act of 1987, the Secretary of Commerce has responsibility for establishing Federal Information Processing Standards. These standards are developed by the National Institute of Standards and technology (NIST), approved by the Secretary of Commerce and published by GSA in a handbook titled "Federal ADP and Telecommunications Standards Index." They include standards for hardware, software, applications, data and operations.

The second type of standard, Federal Telecommunications Standards, are developed under a delegation from GSA. These standards are for radio communication devices and services. These standards are also published by GSA in the "Federal ADP and Telecommunications Standards Index". GSA is working with NIST to transfer

responsibility for these standards to NIST. After the transfer, GSA anticipates working closely with NIST and interagency groups, such as the Government Information Telecommunications Services Board (GITS), in the development of government-wide standards for IT.

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2. GSA has a "time out" program that requires agencies to get their information technology projects "back on track" before proceeding with the project.

a) Is OMB going to take over this program?

OMB might take over "Time Out to Review" and if so, we will help make it work well. As an alternative OMB may, through other forms, maintain the intent of the program by focusing on high risk systems through authorities in ITMRA and the Government Performance and Results Act of 1993 (GPRA).

Until the August 8, 1996 effective date of the ITMRA, GSA's authority over IT continues. Projects subject to existing time outs to review and improve IT acquisitions will remain in effect until that time unless GSA determines that the program is "back on track." I understand that OMB is planning to require that, even after August 8, agencies must continue to abide by any performance measures included in an existing delegation of procurement authority.

OMB and GSA continue to have ongoing discussions regarding the programs under "time out". Three of those programs are no longer under the "time out" umbrella. FAA's Advanced Automation System (AAS), as a result of legislation (Transportation Appropriations Act of 1996, PL 104-50), was removed from GSA's jurisdiction. PTO modernization graduated from "time out" as a result of program improvements. USDA's Info Share delegation was canceled by GSA in September of 1994 and the program has not been reconstituted.

The remaining two programs, Veterans Benefits Administration (VBA) modernization and NOAA's Advanced Weather Information Processing System (AWIPS), remain in "time out" and under extensive discussion between GSA and OMB.

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b) If so, what efforts are underway to transfer the program to OMB?

OMB and GSA continue to discuss future actions regarding VBA and AWIPS. Both OMB and GSA have taken a strong stand on future expectations from these programs and have been in consultation with the respective agencies over those improvements. We are ready to support and implement the direction ultimately decided by OMB.

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3. GSA has had a role of assisting OMB in fulfilling OMB's information resources management responsibilities. What is GSA doing to assist OMB now and what plans do you have to get GSA involved in a wider range of activities in support of OMB?

We are ready to support OMB in their new responsibilities.

We have supported OMB in the fulfillment of OMB's information management responsibilities under the Paperwork Reduction Act, for example, by helping compile the Government-wide five year ADP Plan. Now we are assisting OMB in the development and implementation of the new management and oversight structure created by ITMRA. We also look forward to continuing to support other executive agencies in the IT arena.

We expect that our primary focus will be on:

- Continuing to manage the FTS2000 program, the multiple award schedules program, and the reimbursable services program.
- Supporting the three government-wide committees being established to assist in the management of the Federal IT program.
- Assisting OMB in introducing performance based management into the Federal IT program.
- Identifying the "best practices" in agencies and promoting these with all agencies.
- Developing Federal IT leaders through such programs as the highly successful *Trail Boss* program and the *1,000 by the Year 2000* program.
- Being the focal point for receiving and sharing ideas with State and international governments.
- Bringing the Federal IT community together through forums and the annual IT Conference (IPMCO).

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4. At a hearing on government-wide travel held by the Senate Governmental Affairs Subcommittee on Oversight of Government Management, GAO recommended that GSA (1) oversee the various agency travel improvement efforts, (2) assess and revise the federal travel regulations, and (3) establish and support a users group to facilitate the sharing of knowledge and information.

What steps would you undertake to implement these GAO recommendations?

I was very pleased to see how much progress has been made at reforming the government's travel activity. I believe the responsibility for smart management of travel is best assumed by each agency and department. If anything could be called "classic management", managing the travel of a workforce is such an activity.

Our most valuable role is to join in the major revision of federal travel regulations and work with agencies on an Interagency Travel Management Committee, comprised of

individual agency travel policy makers, to facilitate the sharing of knowledge and information.

The Joint Financial Management Improvement Program (JFMIP) has assessed the regulations and made 25 important recommendations, ten of which require legislative action. The Administration sent these legislative items to Congress earlier this month. In the meantime, GSA currently is in the process of implementing those JFMIP recommendations that can be done administratively, and we will be prepared to act quickly on the legislative items following their enactment by the Congress. We also will be working to frame the FTR's regulatory guidance in plain English

GSA will continue to offer a series of one-day forums that present a broad range of travel/relocation/financial/administrative issues. We expect these to include the JFMIP and interagency groups, key vendors and contractors, and consultants. The next one-day event is scheduled for the end of June.

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## Internal GSA

1. GSA has recently reorganized to establish the Office of the Chief Information Officer (CIO). This position is required at executive level IV under the IT Management Reform Act.
  - a) What role should the CIO play in management decision making, particularly in investments made in information technology for GSA programs?

In an earlier question, I emphasized the importance of using good information to measure and manage. The CIO must ensure that we have efficient information systems that allow us both to measure performance and to handle transactions efficiently at low cost.

GSA was the first agency to appoint a Chief Information Officer with the full power and authority envisioned in the IT Management Reform Act. Our CIO has met with CIOs from several Fortune 500 companies to learn how other large organizations with a variety of operations ensure a strong return on their IT investments.

We learned that, while every organization uses their CIO in different ways, there is agreement that a successful CIO position description should include several key ideas:

- 1) To be effective, the CIO should be a business person first and foremost instead of understanding technology only. The strategic focus is on customers, stakeholders, and the organization's results.
- 2) The organization's customers are of primary importance. Starting with the CEO, or head of the agency, the CIO must form strong working relationships with all program heads.
- 3) Producing a return on each IT investment dollar is the ultimate goal of every project, made harder by the escalating costs of network development. Even a modest 10-15% return on government-wide IT investment could significantly reduce the government deficit, without the loss of important programs.
- 4) Change is constant. The Office of the CIO has to welcome change and foster a learning environment. The successful CIO will be the "change agent" who will lead his own organization, and the entire agency, to participate in the strategic use of technology and the right information needed to manage the mission.
- 5) While there was a time when technical specifications and the promise of desired results was enough, the CIO of the future has to be fluent in both business and technology, understanding marketing, sales & customer service.

The relationship between operations and management information in the government has often been just the opposite of what works. That is, systems are developed without



thought to the way the information is used and the way the business operates. In my experiences and in the experiences of many in private industry, improving and analyzing business operations is the proper starting point. Developing the management information and the systems to deliver that information can only be done after business practices are re-evaluated.

We intend to ensure that IT decisions are no longer left to the end of a business process. We now have a high-level executive in the CIO position and have given that official a place in the leadership of the agency. We envision a CIO who will be a facilitator and bring together GSA's leaders to discuss, plan and decide upon the most important issues of technology and information as they relate to our business goals. The CIO will be the technology leader of the agency, working collaboratively with the business leaders of the agency to bring about the changes needed to enhance GSA's competitiveness.

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b) What responsibilities are assigned to the CIO?

By leading the agency's use of information resources, directing capital planning and using investment analysis, the CIO's chief responsibility is to ultimately improve the operations and service delivery of GSA's programs.

I have not had time to thoroughly work with the CIO to develop the kind of measurable objectives that we will have. But, at this time, the CIO intends to accomplish the following:

1. Move GSA from legacy systems to modern platforms.
2. Require system investments to articulate and achieve a sound return on our investment.
3. Link Information Technology and IT Planning to business plans.
4. Introduce new technology to our employees and our customers to improve service.

The CIO uses performance measures that mirror business measures and which concentrate on:

- . Reducing costs by measuring costs savings and avoidance
- . Increasing productivity by measuring the reduction of errors, duplication and work steps
- . Decreasing cycle time by measuring service delivery speed
- . Increasing service quality by measuring timeliness, burden reduction and customer access
- . Customer satisfaction

The CIO is a partner with senior management in recognizing where information technology can add value in supporting program operations. The CIO advises me to

ensure that our management needs are addressed, to promote innovative uses of technology, and to facilitate agency-wide access to needed information resources.

GSA's CIO should stimulate the use of innovative technology by taking part in the shaping of the agency's strategic objectives during all stages of program planning and resource allocation and acquisition decisions. Participating in program systems planning and the agency's strategic planning process is also important for the success of the CIO in our agency.

The CIO should not only promote the design and operation of major information processes, but should also work closely with the agency's Chief Financial Officer (CFO) to assure that IT systems provide accurate and timely financial and performance data. These two important positions together integrate strategic planning, budget formulation, and performance measurement in order to establish an IT investment process. The CIO will also periodically conduct project assessments to evaluate progress and the realization of benefits.

The CIO provides oversight to assure that information and records are properly managed, that information is collected only as needed, is protected from those would destroy or abuse it, and is readily accessible to those who need it. The use of technology to conduct these information programs is key to agency success.

Finally, it is important that the CIO works with other leaders throughout government and industry to challenge conventional approaches and develop new methods and systems for delivering the full potential of information technology to the government and the taxpayer.

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c) Do you intend to support a strong role for the CIO within GSA?

Yes. I will strongly support the CIO in the pursuit of a higher return on the agency's IT investment and as a significant partner in the senior team who responds to the information and measurement needs to manage to our vision. As a senior executive, the CIO will report directly to me and participate fully in the agency's highest level of planning and operations. The position will have my full cooperation in building partnerships to move forward in the effective use of information resources.

The CIO will lead us in all areas of IT planning, information resources management, systems acquisition and software development. These issues are not simply technical matters, but directly impact program objectives and the ability of the agency to achieve success.

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2. Title V of the Federal Acquisition Streamlining Act of 1994 requires each agency to establish cost, schedule, and performance goals for its acquisition programs.
- a) What are your plans to establish these goals?
  - b) What mechanism is in place that would permit you as the head of GSA to monitor the progress of acquisitions to ensure that the acquisitions remain within the tolerances?

For some time, GSA has had a comprehensive acquisition planning process in place for major acquisitions. More recently, we added a requirement for developing performance measures to that planning process. These processes are currently being reviewed and revised as necessary to ensure they fully comply with the requirements of Title V of the Federal Acquisition Streamlining Act.

Additionally, GSA participated in a recent effort by the President's Management Council (PMC) to develop procurement performance measures to evaluate the effectiveness of the procurement system. GSA is currently using this to establish performance goals for the agency's acquisition system and will monitor our progress against these goals in fiscal year 1997.

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3. The IT Management Reform Act requires agencies to establish a capital planning process for selecting, controlling, and evaluating its information technology acquisitions as investments.
    - a) What steps has GSA taken to establish this process?

Capital Planning is crucial in the high-dollar, high-risk, and critical IT systems that make up the large part of our investment portfolio.

For example, we are giving capital planning a high priority and are on our way to having a successful planning process in place. We are already actively involved in replacing our personnel system, our financial management systems, and our real estate systems using the principles of capital planning to ensure that our investment decisions deliver the predicted return.

Even though the Act doesn't become effective until August 8, 1996, we've already moved forward to examine the process in other organizations and government agencies including Canada's successful CIO Office. While every agency and organization has different requirements, we have found several keys to successful Capital planning.

One of the most important aspects of capital planning is business process re-engineering. Before a successful system can be put in place, the business itself needs to be evaluated and possibly re-engineered. We are currently examining several software packages, which can be powerful tools in re-engineering business processes. Our initial work with this and other tools appears promising. Capital Planning illustrates how important a CIO office is in the earliest and highest level of planning and program decisions.

We are also working with OMB in amending the A-130 appendix on capital planning. Taking part in this activity strengthens our agency's own understanding of the process while also providing leadership in this area for the rest of the Federal community.

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- b) Do you believe it is generating the project-level information necessary to execute the investment process?

Yes.

By integrating Capital Planning into the budget and strategic planning processes, our IT investment process will be better tailored and will deliver a greater return on our investment.

Although OMB is looking to implement Capital Planning from the FY98 budget cycle, we are already in the process of tailoring Capital Planning system for GSA, and we have applied cost and risk analysis to several upcoming investment decisions in finance, personnel and other systems.

We are developing a guidebook for program managers that will take them step by step through the investment process. We will have a course that is based on the guide that we will offer to programs planning significant investments.

Finally, we at GSA will be one of the early Capital Planning pilots sponsored by the CIO Working Group. GAO will be assisting and advising as we develop a "lessons learned" package from these pilots.

But this is not just about the tools of technology. It is also about an infrastructure of useful management information – at project level – that is best. Performance measures and constant monitoring will support the business and inform the management of the merits of the IT investments.

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- c) Would you use this process in determining the IT investments to make from an overall organization viewpoint?

Yes, especially on cross-cutting systems and infrastructure investments. For example, GSA's personnel system cuts across all of our programs. We have assembled an interdisciplinary team to examine alternatives. This team will recommend a course of action to our Business Technology Council, which is made up of executives from every business line.

A systematic approach to managing the risks and returns of IT investment will guard against the use of the government's for shaky systems. Just as a prudent investor would not purchase stock in an unevaluated company, or continue investing in a company with a poor track record, the government should not continue to invest in IT systems without a systematic and proven investment criteria.

We will use such an integrated management process because it provides continuous identification, selection, control and management of IT investments.

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4. The IT Management Reform Act requires agencies to determine, before investing in information technology, whether a function should be performed by the agency or whether it should be privatized.

- a) Has GSA made this a part of assessing its information technology needs?

Yes, we have. Both Business Process Re-engineering (BPR) and the FORM analysis, in which Arthur Andersen assisted, thoroughly assessed the viability of GSA's functions.

- b) As a result of these assessments, has GSA identified any other activities that should be privatized?

Yes. GSA recently consolidated and is privatizing our internal Data Centers, which handle a large segment of our internal data needs around the country. These data centers were benchmarked and measured against the private industry standard, both for the amount of money and the number of employees used vs. the amount of data processed. We discovered that we were well behind the industry standard, due in part to the age of our systems and the small amount of data each center handled.

We believe we will save \$21.9 million by privatizing and have a more efficient system.

5. There is a need to reengineer many government activities to make them efficient.

- a) What projects should GSA undertake to reengineer its activities to make them more businesslike?
- b) Has GSA conducted any bench marking of its activities against other organizations? If so, in what areas and what were the results?

As I have stated often in my answers, I believe we need to be in a constant state of reinvention, or at least always considering it. *It is a way of life, not a program.* We have recently reinvented a number of parts of GSA and have others under consideration. In all cases, our decisions are strongly affected by how well we compare any organization, public or private, that is a pace setter.

#### **Public Buildings**

We are reengineering the leased space delivery from requirements definition to occupancy; reengineering to reduce cycle time for non-prospectus level repair and alterations; consolidating Federal Protective Service control centers to reallocate resources more effectively for security enhancements; reengineering the capital investment processes including community planning, asset management, and project development; and revamping GSA's RENT system.

#### **Federal Telecommunications**

We have been successful in benchmarking both long distance and local service telecommunication prices against comparable commercial rates. The rates we offer our customers for long distance services are substantially lower than the commercial rates for comparable services. Our local service rates vary considerably from one local market to another and are linked to local tariff rates. We are developing a new procurement strategy for local services that will take advantage of emerging competition resulting from telecommunications reform. We expect that competition and aggregation of government requirements will lead to price reductions just as they have for long distance services. FTS is developing a methodology to benchmark the billing process.

**Federal Supply**

Through the initiative GSA Advantage, we are revolutionizing the method agencies are procuring goods and services from the Multiple Awards Schedule by maximizing the use of information technology and the Internet.

**Information Technology Service (ITS):**

Benchmarking programs in ITS have been under way for a couple of years, and we have developed strong partnerships with organizations such as Texas Instruments and Microsoft. As a result of the benchmarking, GSA expects to:

- Reduce the time to fill Office of Information Security orders by 25 percent.
- Reduce the time to process Telecommunications Support Contact Task orders to 20 percent.
- Reduce the time to conduct technical evaluations under the Federal Information Systems Support Program by 40 percent.
- Reduce the time to issue solicitations under the Federal Information Systems Support Program by 60 percent.
- Increase the satisfaction of customers of internal ADP Customer Support Centers by at least 20 percent.

6. Under the Government Performance and Results Act, GSA is to develop results oriented performance measures for its activities.
- a) Has GSA developed key measures for its federal buildings, multiple awards schedules, and information technology programs?

Yes. Performance measurement is the keystone to productivity. All GSA business lines prepare Annual Performance Plans where they detail prior year accomplishments and the projects they will undertake during the upcoming year(s) in support of their and the Agency's goals and missions. Early plans were a mix of milestone-measured projects and input and output-oriented measures. By focusing on our customers and their needs, GSA continues to stress the need for measures that reflect whether our programs are successful in meeting our mission and helping our customers better meet their own missions.

As with any measurements, when they are applied, new, management insights occur and new and better questions are asked. In PBS, we are in an exciting initial cycle of defining, using and "pulsing" our measurements. This tests our managers, our information systems, and our performance overall.

GSA is often compared to private sector companies because it offers similar types of products and services. It makes sense then that GSA adopt good business practices by using measures that may be found in the private sector. For example:

- GSA's Federal buildings management programs are using the same commercial customer satisfaction measures used by the International Facilities Management

Association, as well as commercial benchmarks such as operating costs per square foot compared to the private sector. We are also collecting data on the crime rate in GSA buildings versus readily-available city indices for governmental buildings.

Some of our key measures are: Client Satisfaction, Reduction of Overhead Expenses, and a comparison of GSA operating costs versus the private sector. These measures have been documented, as specified by GPRA, in annual Performance Plans since fiscal year 1994. These plans, as well as year-end reports of achievements, have been provided annually to OMB as required by the Act.

- In GSA's multiple award program, percent savings, cost per \$100 sales and customer satisfaction are important measures. Additionally, we have implemented GSA's Procurement Performance Measurement Model which is patterned after the measurement systems used commercially.
- In our information technology programs, customer satisfaction, decline in operating expenses, as well as the overall indicators of "head count" and costs per MIPS (millions of instructions per second) are useful to track progress towards a more cost and mission effective operation.

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- b) If so, do you believe these are the correct criteria for evaluating GSA's performance?

In general, YES. However, I have not yet assimilated the many measures we have and have not concluded what importance to attach to each.

I do believe that we have a pretty good base from which to develop an understandable set of measures. However, we like to think that there is still room for improvement and I anticipate that there will be future changes to our set of performance measures. This is true because in the years following the passage of GPRA, GSA has undertaken major reinvention initiatives. We are downsizing, restructuring our organizations and reengineering our service delivery systems. As these changes occur, as we strive for continuous improvement in the way we do business at GSA, we will continually re-examine our programs to assure ourselves that the proper performance measures are being used.

GSA has evaluated its functions through the Federal Operations Review Model (FORM). The FORM process is a multi-step business analysis to determine the most efficient and cost-effective way to deliver GSA services by logically, rationally, and consistently reviewing each of the Agency's business lines.



The FORM analysis' findings in several business lines gave us the opportunity to make immediate changes. For instance:

- When it became evident that better methods should be pursued, the Information Technology Service (ITS) began to close or consolidate outdated or duplicative data processing centers.
- Multiple Award Schedules (MAS) for ITS purchases were merged with the Federal Supply Service MAS program, thereby consolidating our procurement services in a fashion that is more user-friendly for our customers and less costly to operate.
- What were once separate telecommunications programs—local and long-distance services—have been consolidated under the Federal Telecommunications Service, again to achieve higher customer satisfaction and lower operating costs. An important component of GSA's management process is the benchmarking of telecommunication prices against comparable commercial rates.
- The findings from the review of our Fleet Management business line showed us that the program was so successful that the taxpayers were best served by consolidating fleet management services run by other agencies into our own.

These changes made common sense, all validated by good performance measures, and they have helped us improve services to our Federal customers.

To ensure that performance and performance measurement guide management decision-making, GSA executive management conducts quarterly General Performance Reviews. At these meetings, Commissioners from each of our Services report to me on the performance of their Services, using agreed-upon performance measures. GSA has already incorporated some of the FORM measures into the review process. More will be added during the coming year as GSA applies the measurements and learns better how to be guided by them in management decisions.

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7. GSA had a number of personnel performing functions in the delegations of procurement authority, procurement and information resources management review, and regulations (the Federal Information Resources Management Regulation) writing activities. What are these personnel doing now, and what are your plans for this staff after August 8, 1996, when the Information Technology Management Reform Act goes into effect?

We are working closely with OMB to ensure an orderly transition and close out of these functions which will not be performed after August 8, 1996. GSA's government-wide IT staff will be reduced by 2/3 by December 1996. The delegations of procurement authority staff has been reduced from 24 to 4. Procurement and information resources management reviews have been discontinued. The Federal Information Resources

Management Regulation is being phased out. Personnel are either working on the close out of these functions or already working on our new role with OMB.

In the future, GSA will support OMB and government-wide committees, provide best practices and lessons learned to agencies, develop a professional IT cadre of managers, and serve as liaison between State and international governments in the sharing of techniques and best management practices.

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**FACILITIES LOCATION AND PUBLIC BUILDINGS MANAGEMENT**


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In September 1990, GAO issued a report entitled Facilities Location Policy: GSA Should Propose a More Consistent and Businesslike Approach (GAO/GGD-90-109). The objectives of the review were to examine (1) how federal civilian agencies make location decisions, (2) the extent to which rural areas receive consideration in these decisions, and (3) whether any changes in federal location policies are warranted. The report concluded that federal agencies should more systematically consider locality incentives and technological advancements which enable many employers to locate in remote localities in making location decisions and that a more consistent and cost-conscious federal location policy was warranted. Because GSA is the central management agency responsible for Government wide facility management policies, GAO recommended that the Administrator of GSA develop for congressional consideration a more consistent and cost conscious Government wide location policy. GAO recommended that the policy should require agencies, in meeting their needs, to maximize competition and select sites that offer the best overall value to the taxpayers.

In August 1991, GSA issued Temporary Federal Property Management Regulation (FPMR) D-76, which included Part 101-17.205 of FPMR--location of space--and it implemented GAO's recommendation. However, the March 7, 1996, GSA proposed policy--location of space--for federal facilities in urban areas Part 101-17.205 of FPMR reverts to the old policy and does not include the same language as the Temporary Regulation D-76.

1. How does the newly proposed GSA policy take advantage of a) flexibility in selecting sites, and b) maximizing competition in identifying potential facility locations?

GSA, as the federal government's representative, strives to make value-added decisions. Policies and costs are mechanisms for talking about and determining value. Executive Order 12072 offers important guidance to remind us of a certain value we are seeking; i.e. healthy cities. It is, however, not the only calibration of value and is not an exclusive measure.

Executive Order 12072 requires that "the process for meeting Federal space needs in urban areas shall give first consideration to a centralized community business area and other areas of similar character, including other specific areas which may be recommended by local officials." GSA's recently issued interim Federal Property Management Regulation clarifies GSA's process for complying with Executive Order 12072 but does not impose new constraints on GSA's real estate acquisition decisions. The requirement that federal agencies give first consideration to central business areas when their missions require an urban location has been in place since Executive Order 12072 was issued in 1978.

Specifically, the interim regulation does not diminish GSA's flexibility in selecting sites for federal facilities. The Executive Order contemplates a fully informed and well-considered decision and the interim regulation establishes the framework within which such a decision should be reached. There is a heavy emphasis, for example, on planning and consultation with local and regional officials in the procedures. Additionally, the interim regulation sets up a framework for the consideration of the various factors discussed in the Executive Order. By establishing a framework and ensuring that appropriate consultation with interested officials occurs at the early stages of planning and selection, the procurement process is streamlined and GSA is better able to satisfy its clients' requirements in a timely manner while complying with Executive Order 12072.

Similarly, the interim regulation does not affect GSA's ability to maximize competition for acquisitions subject to the Competition in Contracting Act. If competition within the central business area exists, GSA is lawfully entitled to restrict the area of consideration based on Executive Order 12072. If competition does not exist within the central business area, under the interim regulation GSA may expand the area of consideration in consultation with the requesting agency and local officials and we do so in appropriate cases.

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2. Is there any reason why real estate and labor costs should not be prime considerations in locating space for federal facilities assuming mission needs can be met in either rural, suburban, or urban areas?

While costs are a significant consideration in any decision regarding the location of federal facilities, public policy considerations are also important. And, it is important for GSA to understand the impact of our government's location decisions on each community and the economy.

During the history of our nation there have often been times when the high initial cost of a project has been offset by the long term public good. Granted, it is important for us to get the best deal for the government and the taxpayer, but as the servants of a representative and democratic government we must also take into account the economic well being of the communities and citizens we will impact by our facility decisions.

Costs are a significant consideration in any location decision. However, location decisions are made within an existing statutory and regulatory framework which does not in every instance permit or require cost to be the prime, or only, consideration. For example, when locating leased space, the Competition in Contracting Act requires that price be considered but also permits the government to consider other factors or impose conditions necessary to satisfy the needs of the executive agency or as otherwise authorized by law. Similarly, when selecting a site on which to construct a public building in accordance with the authorities granted to GSA under the Public Buildings Act of 1959, GSA is authorized to select the site which is the most advantageous to the

United States, all factors considered. The statutory parameters within which real estate decisions are made recognize that the most advantageous location may not, in every case, be the one offering the lowest price. Any given location may bring with it unique attributes worth an incremental cost.

Within this broad framework, two specific factors must be considered when making location decisions. First, the Rural Development Act of 1972 requires that government give first priority to the location of new offices and other facilities in rural areas. Second, if an agency requires an urban location, Executive Order 12072 requires that the government give first consideration to central community business areas and adjacent areas of similar character. Neither the Rural Development Act nor Executive Order 12072 preclude the consideration of cost in the decision making process. In fact, Executive Order 12072 requires that GSA meet essential space requirements "in a manner that is economically feasible and prudent." However, according "prime consideration" to cost would not be consistent with the terms of either the Rural Development Act or Executive Order 12072.

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3. Executive Order 12072, signed in 1978, primarily considers location policy as a means of stimulating economic growth in urban areas. The expanding federal government and more liberal spending in that era may have allowed economic development as the primary goal in federal lease/purchase decisions. However, considering the shrinking federal government, advances in information technology, and budgetary constraints, should the Executive Branch continue a policy that favors urban locations over a policy that maximizes competition, reduces costs, and increases government value?

The current environment of a downsizing federal government and budgetary constraints presents significant challenges to all. However, these challenges are merely one aspect of a much larger picture. The Administration's commitment to urban areas is based upon the premise that the economic health of our cities is vital to the national economy. Metropolitan regions which transcend political boundaries are an important building block of our economy; the overall economic performance of metropolitan regions is linked directly to the performance of their central cities.

It is a common misperception that Executive Order 12072 requires federal facilities, whether leased or owned, to be in a central business area regardless of competition, cost, or value. Executive Order 12072 requires that first consideration be given to location within the central business area and contemplates that a fully informed and reasoned location decision be reached after meaningful consultation with local, regional and federal officials. Although federal agencies bear a heavy burden in justifying a non-central business area location, the policy of Executive Order 12072 and a policy of competition, fair and reasonable costs, and increased government value are not mutually exclusive.

Successful implementation of any urban policy, including that set forth in Executive Order 12072, requires a long term view of the benefits to the taxpayer. Short term increases in costs, if any, are outweighed by long term benefits such as increased employment, improved infrastructure, revitalized communities and a strengthened economy. The General Services Administration views the Executive Order as an opportunity to work in partnership with cities and regions to encourage and support the development of the urban infrastructure and environment appropriate and necessary for both federal and private sector workers.

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4. If GSA interprets Executive Order 12072 as requiring location in a central business district or area, even to the exclusion of an existing location in a community, this creates the potential for massive relocation of federal facilities. Has GSA fully considered the impact of enforcing such a restrictive policy?

GSA does not interpret Executive Order 12072 as requiring location in a central business area. The Executive Order requires that "the process for meeting Federal space needs in urban areas shall give first consideration to a centralized community business areas and other areas of similar character, including other specific areas which may be recommended by local officials." GSA interprets this to mean that when existing Government owned or controlled space is unavailable, an agency's request for space in an urban area must be satisfied within the applicable central business area unless the requesting agency provides GSA with a written justification explaining why the agency program functions cannot be efficiently performed within the central business area.

Executive Order 12072 has been a requirement of GSA's location policy since 1978. and GSA does not envision a potentially "massive relocation of federal facilities" as a result of its recently issued interim regulation. If there are existing Federally controlled facilities which are adequate or economically adaptable to meet the space needs of the requesting agency, the requirements of the Executive Order to give first consideration to the central business area do not come into play. However, if an agency is being housed in leased space for which the lease is expiring (and no other existing Federally controlled facilities are adequate for the agency's relocation), the requirements of the Executive Order do come into play and it is likely that an agency would be relocated from a non-central business area location to a central business area location, depending upon the circumstances of the particular space requirement and resulting procurement.

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5. After much criticism from GAO that GSA still lacks quality in its capital investment plan for its public buildings activities, we understand GSA has focused on this concern and is in the process of developing such a plan. How will you ensure that a high quality plan will be developed, effectively implemented, and institutionalized within GSA?

PBS has developed a capital investment strategy for construction, acquisition, repair, and alteration of real estate assets. I intend to work closely with PBS to ensure that this strategy addresses the concerns of our critics and provides a future oriented plan for government assets.

Currently, this strategy entails the allocation of capital resources in accordance with the following priorities:

1. Protecting the safety and health of tenants and visitors to owned and leased assets.
2. Continued housing of client agencies in leased space through renewal or replacement leases where ownership is not desirable, or not feasible.
3. Maintaining the operational viability of owned assets through day-to-day repairs and alterations below the prospectus level.
4. Altering vacant space in owned assets to relocate client agencies from more costly leased space into Government-owned space when available.
5. Modernizing owned assets to maintain and enhance their ability to support client agency missions and to enhance asset value.
6. Providing new housing solutions (construction, acquisition and leasing) to meet the changing requirements of client agencies.

Annual capital investment programs translate these priorities into budgetary requirements, by identifying needs on appropriate planning cycles and using appropriate investment/reinvestment criteria. For example, repairs and alterations below the prospectus threshold are targeted for a annual reinvestment level of 2 percent of the functional replacement value of the owned inventory. This target funding level is then adjusted based on the projected availability of resources and the requirements of competing priorities. Modernization of owned assets is based on a 20-year planning cycle, resulting in a planning target of modernizing 5 percent of the inventory annually. This target is also adjusted annually based on the projected availability of resources.

In providing new housing solutions to meet client agency needs, GSA integrates the planning targets of its client agencies into the annual capital investment program. The Federal Inspection Services "Top Ten" process identifies border station requirements and establishes their relative priority. The Judiciary develops long-range facility plans for each of the judicial districts, defines the housing requirements within a 10-year planning horizon, and then, through the Judicial Conference, establishes a rolling 5-year plan of proposed projects that, subject to available resources, GSA addresses in the formulation of annual capital programs.

PBS is working on cross-cutting performance measurements that will enable all of us to assess the success of this plan.

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6. Many government agencies have begun to downsize their operations. What are your plans to account for and, where necessary, dispose of office space that is affected by downsizing? What major obstacles do you envision will have to be overcome to implement your plans?

I intend to continue the "no net new" office space policy at GSA for as long as necessary during my tenure as Administrator. The Public Buildings Service has assigned a National Account Executive to all departments, large and mid-sized agencies and the Judiciary to assist our clients in planning their future space requirements and maximize the use of existing owned assets and minimizing the use of office space and the cost to the taxpayer.

However, the relationship between downsizing to space reduction is a complex process to predict because:

- space does not always become available in usable blocks or in locations where added space is needed by a different agency
- space reductions lag behind staff reductions by as much as three years
- to achieve the long-term financial benefits of reduced space costs from downsizing GSA and other agencies must be able to make significant up-front resources available to fund the cost of moving remaining staff within and among buildings to allow for the consolidation of small pockets of vacant space
- the GSA/PBS portfolio controls only 40% of Federal office space

In addition, while many agencies' space requirements over time are slowly declining, some agency space requirements (e.g. Treasury and Justice) are expanding rapidly.



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**BUILDING SECURITY**

1. In light of the bombing of the Murrah Federal Building in Oklahoma City, what steps do you believe are needed to enhance the security of federal property and employees?

In keeping with the immediate actions of the GSA and the recommendations of the Department of Justice (DOJ) Vulnerability Assessment Study, I believe we can enhance the security of federal property and employees by doing the following:

- maintaining the medium security level in place since April 19, 1996
- completing the capital improvements recommended by the Building Security Committees
- hiring and contracting the manpower to operate the new equipment
- strengthening the training requirements of contract guards
- analyzing and, as necessary, implementing security enhancing construction methods when required.

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2. The Department of Justice's report on the vulnerability of federal facilities made many recommendations to improve security.

What progress has GSA made in implementing the recommendations?

In accordance with the ambitious schedule established by the President, GSA established over 6,500 Building Security Committees (BSC) on a facility by facility basis using the framework of GSA's nationwide Occupant Emergency Program. The BSC's were composed of tenant and GSA representatives, including union representation, who were charged with reviewing and assessing existing security measures and making recommendations to meet the minimum standards outlined in the DOJ report.

The BSCs have completed their review and have made over 10,000 recommendations. The Federal Protective Service (FPS) has reviewed and analyzed all BSC recommendations and is now in the process of implementing approved recommendations.

As recommended by the DOJ report, GSA has established an Interagency Security Committee chaired by GSA. The committee has met twice since its establishment and is actively reviewing issues such as intelligence sharing, security technology, court security, security standards for child care centers, and other security related topics.

The DOJ report also recommended that GSA review its program requirements and identify additional resources needed to enhance building security. In response, GSA developed a resource allocation model to determine workload requirements for the FPS. The model recommended adding 587 positions to the FPS organization 347 of which are uniformed officers. We are currently recruiting for uniformed police officers.

On February 29, 1996 GSA issued a revision to our community planning process to adopt a co-location policy to integrate agencies with similar security needs and avoid locating high risk agencies in the same facilities as low risk agencies. Construction standards are also being revised to address the new security risks identified in the DOJ report.

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- b) What obstacles or challenges do you see in implementing these recommendations?

As in the implementation of any major initiative, the obstacles are time and money. To cope with these obstacles, GSA has reprogrammed funds to purchase equipment at facilities that are a higher security risk, Level IV, according to the DOJ report. This funding is in excess of \$77 million. We are currently installing this equipment. However, we have asked our occupant agencies to help us fund the operating expenses for the remainder of the 1996 fiscal year. Many of the agencies have indicated they can not provide funding assistance, consequently, in some Level IV facilities security enhancements may not be fully implemented until FY 97. GSA has requested funds in the Fiscal 1997 budget to complete all of the recommended capital expenditures, and by fiscal 1997 GSA will have in place a mechanism to offset the increased operating costs.

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- c) How long do you anticipate it will take to significantly upgrade security in federal buildings?

We anticipate that by the end of FY 96 nearly 90% of the security equipment for high risk facilities, over 700, will be installed. The level of operation will depend largely on the amount of operating funding that is received by our tenants. During FY 97 we will complete the remaining Level IV security recommendations and complete security Levels I through III.

We will complete the implementation of the security upgrades recommended by the Building Security Committees by the end of Fiscal 1997. We are currently analyzing construction standards to address the new security risks identified in the DOJ report and will implement them as funding allows.

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3. Upgrading security will costs many millions in capital and recurrent operating costs. How should we balance the need to enhance federal security with the availability of limited resources?

There is no doubt that the priority of security measures must be placed much higher than in the past. Without question this means that scarce resources will be applied to security measures in the future which, absent their need could be applied to other

activities. At GSA we consider security sufficiently important to reprogram funds from efforts such as chlorofluorocarbon abatement, energy efficient retrofits, and repair and alterations in order to complete the security upgrades in a timely manner. In a broad context, however, the management of complex organizations always entails that priorities be set for activities and that resources be reallocated.

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**COURTHOUSE CONSTRUCTION**


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1. Given the judiciary's need for several new courthouses in the years to come, what is your number one challenge as the builder of these facilities, and how do you plan to meet that challenge?

I am certain that the most difficult challenge with respect to future court projects will be to balance our oversight and client service responsibilities. We must satisfy the critical housing requirements of a very important client while ensuring that this is accomplished in a prudent, cost-effective manner.

We will do this by:

- institutionalizing the management and review processes implemented by the Courthouse Management Group, including the cost benchmarking process
  - continuing to develop, with the Judiciary, a prioritized 5-year plan for meeting the long term housing needs of the courts
  - focusing our attention on courthouse design efficiency, because that is the point in project development at which time significant project savings can be achieved
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2. Some of the federal courthouses built over the last few years have been criticized as being too lavish.
    - a) Do you share this view and what steps do you plan to take to ensure that courthouses are built with an eye toward cost-consciousness?

I think that the numerous public reports of the past few years which have examined courthouse costs have demonstrated very clearly that prior to this Administration GSA did not invoke its cost management responsibilities for courthouses as well as it has in the last three years. Certainly there are courthouses which could have been built for less. But in the future, with the CMG, we are not going to build overly expensive courthouses, period.

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- b) How do you plan to strike a balance between building high-quality courthouses for the judiciary and meeting taxpayers' expectations that scarce funds be used wisely?

I believe that it is possible to build courthouses which are both cost-effective and of high-quality. I have visited a number of our new (and under construction) courthouses across the country and have seen how the new approach is working. We can build cost-effective and highly functional courthouses, and please the judiciary at the same time.

GSA has already put in place a number of initiatives to achieving this goal including:

- establishment of the CMG,
- adoption of a benchmarking process for courthouse construction, and
- establishment of a target for design efficiency.

However, it is important to remember that the courthouses which GSA is constructing for the judiciary will be in use for many generations to come. While we must all work to ensure that the budgets for these important buildings are cost-effective and prudent, we must also ensure that they are well designed and enduring. These buildings should be a legacy to the nation of which we can all be proud, both today and in the generations to come.

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3. GSA has established a Courthouse Management Group (CMG) to improve the efficiency and effectiveness of the courthouse construction program. One of the CMG's objectives is to bring a centralized approach to courthouse construction.
- a) Please comment on your views about, and commitment to, a strong CMG.

In the last 18 months, the CMG has done a solid job of improving the efficiency and effectiveness of the courthouse construction program. The group has fostered a spirit of cooperation by forging a partnership between the GSA and the judicial branch, and has, I believe, established the program's credibility with the legislative branch. As pointed out in a recent GAO report, the CMG could well serve as a model for managing other aspects of our capital development program.

I am committed to a strong CMG and will continue to support the group as the focal point for the continued consistent and excellent delivery of the courthouse construction program. I support the CMG as a relatively autonomous organization headed by a career executive and staffed with high-level professionals knowledgeable in a wide range of program and project management techniques.

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- b) What do you plan to do to ensure that the CMG's objectives are being met?

I am committed to supporting the CMG's objective of bringing a centralized approach to the courthouse construction program. We will strengthen the CMG's role by supporting their increased involvement in the site selection process as well as in the modernization of existing courthouses and in the lease construction of courthouses.

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- c) How do you plan to measure the progress of the CMG over time?

The CMG's progress will be evaluated and measured through the benchmarking and Post Occupancy Evaluation (POE) processes.

- The actual cost of courthouse projects and their benchmarked cost will be compared to evaluate the CMG's effectiveness in establishing project budgets.
  - The progress and effectiveness of the CMG in establishing project scopes will be measured through the assessment of courthouse buildings in the POE process.
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4. How do you think emerging technologies and advances in facility design will shape the courthouse of the future, and how do you plan to incorporate progress in these areas into GSA's ongoing efforts?

GSA's courthouse program has identified a number of cost or space saving innovations which are being incorporated into new courthouse designs when they are appropriate to meeting the judiciary's operational requirements. These include:

- collegial floors;
- shared courtrooms;
- stacking the floors to locate smaller courtrooms at the top of the structure;
- stacking so that all the courtrooms for criminal trials, requiring prisoner elevators and holding cells, are on one side of the structure;
- installation of raised floors, removable acoustical panels, conduits and raceways for audio, video and computer cables.

In light of continuing budgetary constraints, all of the stakeholders in the courthouse construction program, the Congress, the judiciary, the Office of Management and Budget, as well as GSA, are seeking ways to restrain the costs of the program. Advances in computer, telecommunications, and video technologies may offer some solutions, and the judiciary is considering how these new technologies can assist them in coping with growing caseloads and expanding space requirements. Recently, the Administrative Office of the U.S. Courts issued Electronic Courtroom/Chambers: An Interim Guide to Courtroom Technologies to provide information to judges and court administrators considering the use of electronic technology in courtrooms and judges' chambers.

As the judiciary incorporates these new technologies into judicial proceedings, GSA will work with the Administrative Office of the U.S. Courts to redefine their operational and programmatic requirements to be incorporated into courthouse designs.

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5. Will the Judiciary's 5-year prioritization plan for courthouse construction help GSA in its planning efforts? Could the prioritization effort be improved?

The prioritized 5-year plan for the judiciary's new construction requirements will greatly facilitate GSA's formulation of our long-range capital investment plans and future budget requests. The Judicial Conference of the United States' recent approval of the plan has been particularly timely, since GSA is at the point in the fiscal year 1998 planning and budgeting cycle when having the judiciary's input is the most helpful.

Since development of the prioritized plan and its consideration by the Judicial Conference is a new undertaking, GSA expects that there will be opportunities to refine and improve the process in the future. GSA will work closely with the judiciary in any such efforts.

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6. How much funding do you estimate will be needed for new courthouse construction over the next 10 years?

The Administrative Office of the U.S. Courts has identified 200 Federal court facilities which will be out of space within 10 years. In 160 of those locations, the judiciary's needs may be satisfied by the construction of a new building or an annex to an existing courthouse.

GSA has received full funding or partial funding for 32 of the 160 projects; it totals \$2.5 billion. The balance of funding required will be approximately \$5.5 billion.

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7. How many obsolete courthouses will GSA be faced with over this time period? And do you have a strategy for disposing of or further using obsolete courthouses that new projects will replace?

The housing solution to meet the judiciary's space needs in many of the 160 locations has not yet been identified. Consequently, at this time, I have not see an estimate how many of the existing courthouses will be excess following construction of a new facility.

In some of the locations (such as Scranton and Washington, DC), the courts' space requirements will be satisfied by construction of an annex to an existing courthouse which will continue to be used for court proceedings. In other locations (such as Alexandria, Tampa and Omaha), the old courthouse will continue to be used for some judicial activities, such as bankruptcy courts.

There will be locations (such as Ft. Myers, FL and Hammond, IN) where the existing courthouse will no longer be required to house the judiciary or another Federal activity;. In such situations, the property will be disposed of using GSA's normal disposal procedures.

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**FEDERAL TRIANGLE PROJECT**

1. In 1987, Congress authorized construction, by the Pennsylvania Avenue Development Corporation (PADC), of a 3.1 million gross square foot building at the Federal Triangle site in Washington. The building was to house federal agencies and private agencies/firms involved with international trade. After the PADC ceased to exist on April 1, 1996, the project was transferred to GSA. At present, the project is behind schedule and over budget. The September 1990 GSA/PADC Memorandum of Understanding implementing this project provided for GSA Inspector General audits of contract administration.
  - a) Do you know if any contract audits have been undertaken to date on this project? If so, please provide a brief overview.

Outside accounting firms have accomplished some cost auditing on the project's largest trade contract and one of its subcontracts. Additionally, the project's engineer has been audited for overhead rate by an outside firm. The Inspector General conducted an audit of the procurement practices of PADC on this project in 1988. No subsequent audits have been performed by the Inspector General.

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- b) What direction will you give your Inspector General concerning planning and undertaking future contract administration audits?

As you know this Committee has already requested, and GAO has initiated, an audit of the administration of this project. At this point I am not aware of the results of this audit or any negative findings by their investigation. However, it is prudent that we monitor the work on this project on which we now have day-to-day responsibility.

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2. In the early 1990's, the now defunct International Cultural and Trade Commission proposed a program for the Trade Center portion of the building that was criticized as containing unrealistic revenue figures among other assumptions. Recently, GSA contracted with a consultant to develop a new program for the Trade Center. The Committee is interested in your plans to monitor this important work in view of the size and importance of the Trade Center space's share of revenue needed to pay the mortgage bill.
    - A) Do you plan to be personally involved in monitoring the efforts of the consultant? If not, how does GSA plan to oversee the consultant's work?

I do plan to be personally involved in the development and implementation of our plans to create an International Trade Center in this facility. The concept for relocating important export related elements of the many trade related Federal agencies with their private sector counterparts has merit. The program will not only assist the American business person and business entities to be more competitive in the global market



place, but also enhance the efficiency and effectiveness of the Federal agencies in delivering services.

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- b) Does GSA have a contingency plan for the Trade Center space if the consultant's plan cannot be implemented?

The Trade Center consultant's plan has been reviewed in detail by GSA and we believe it will be successfully implemented. We believe that the Trade Center program is the most appropriate use of this unique location along America's main street and must be pursued with vigor. If the program fails, the alternative would be to eliminate public access, backfill the area with Federal agencies and reduce the retail and food service components to only those required to service the building population. This result would be inconsistent with our need to be competitive in international trade.

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- c) If the rent from the building is not sufficient to cover the semi-annual payments, how does GSA plan to cover the payments? When do you believe the building's rent collections will equal the semi-annual payments?

It is not unusual in the real estate community to find that properties at any one time do not earn sufficient income to cover their annual operating costs. The same is true for the inventory of holdings covered by GSA's Federal Buildings Fund. This problem is not unique but is particularly true for new investments in the initial years of occupancy. At this point, we project that this building will break-even at about year seven. However, as with any large inventory of holdings we believe that the total earnings from the entire inventory of space within the fund will be sufficient to cover these costs during this initial period.

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3. Will the total cost of the project, including additional claims, exceed the borrowing ceiling of \$738 million? If so, by how much? How would you proceed to obtain additional funds?

Our current estimated cost to complete is less than our borrowing authority from the Federal Financing Bank. Should additional funding be required we would explore additional Federal Financing Bank funding or direct appropriation.

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**FEDERAL ADVISORY COMMITTEE ACT**


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1. GSA is currently responsible for overseeing the activities of 1,000 advisory committees, as part of its responsibilities for implementing the Federal Advisory Committee Act (FACA). Since the Administration has emphasized the importance of public involvement initiatives, what is GSA doing, or planning to do, to:
  - a) Ensure that the Committee Management Secretariat has the necessary resources to staff and support an increasing demand for guidance, training, and information by the Congress, the public, and agencies?
  - b) Update and simplify its FACA regulations?
  - c) Balance the need for controlling the number of advisory committees, as required by EO 12838, with a need to consult with non-Federal stakeholders?
  - d) Provide timely assistance to Federal officials at all levels in designing effective public involvement strategies?

In January of 1996, the General Services Administration (GSA) consolidated its policy functions within a new Office of Policy, Planning, and Evaluation (OPPE). The Committee Management Secretariat is part of this new organization. During the coming year, the Secretariat will streamline its procedures covering the renewal of advisory committees, implement automated reporting initiatives to expedite production of the Annual Report of the President on Federal Advisory Committees, take advantage of the World Wide Web to disseminate information on FACA, and address a growing need for advice on a range of public participation issues.

The Secretariat is currently exploring the possibility of issuing comprehensive public participation guidelines which would include guidance on FACA. By issuing guidelines instead of regulations, GSA would be in a better position to offer real-time support to Federal officials at all levels who are involved in designing effective stakeholder involvement strategies. During the short-term, pending these changes, GSA will continue to offer FACA training and timely guidance in conjunction with the Department of Justice and the Interagency Committee on Federal Advisory Committee Management.

The Secretariat closely works with the Office of Management and Budget (OMB) to assure that the need to control advisory committees is balanced with the equally compelling need to consult with non-Federal stakeholders. For example, OMB recently exempted committees involved with negotiated rulemaking from the ceilings imposed by EO 12838. In addition, OMB and GSA work together to ensure that unneeded advisory committees are terminated, thereby allowing for the creation of new, high-priority groups. Finally, GSA conducts training and provides guidance on alternative public/stakeholder involvement techniques.

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2. The Administration has indicated its support of efforts to reduce the number of statutory advisory committees. Do you support this initiative; and, if so, how can we best identify and proceed to terminate unneeded advisory committees?

In tandem with the President's advisory committee reduction initiative, as outlined in EO 12838, the Vice President encouraged the Congress to undertake actions to curtail the creation of new statutory committees and to eliminate unneeded existing groups. Congress has expressed an interest in addressing these issues, most recently through the elimination of the Board of Tea Tasters, but has not undertaken a comprehensive approach similar to that accomplished by the Executive Branch.

With respect to new statutory committees, GSA recommends that such groups be clearly and expressly subject to a sunset provision. Existing statutory committees, with some categorical exceptions (such as peer review committees, trade committees, and those dealing with health and safety issues) should be subject to periodic reauthorization by the Congress. Such oversight would ensure that groups that are no longer required would be automatically terminated unless the Congress determines there is a compelling need for their advice.

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#### RELATIONS WITH CONGRESS

1. Do you agree without reservation to respond to any reasonable summons to appear and testify before any duly constituted committee of the Congress if you are confirmed?

Yes.

2. Do you agree without reservation to reply to any reasonable request for information from any duly constituted committee of Congress if confirmed?

Yes.

## BIOGRAPHICAL AND FINANCIAL INFORMATION REQUESTED OF NOMINEES

## A. BIOGRAPHICAL INFORMATION

1. **Name:** (Include any former names used.)  
 Mary Ann Gooden Terrell  
 Mary A. Terrell  
 Mary Armstrong (maiden) Recorded on birth certificate  
 Mary Gooden (maiden) Legally changed during childhood
2. **Position to which nominated:**  
 Associate Judge for the Superior Court of the District of Columbia
3. **Date of nomination:**  
 June 6, 1996
4. **Address:** (List current place of residence and office addresses.)  
 3118 Westover Dr. S.E.  
 Washington, D.C. 20020 (home)  
 801-17th Street, N.W., Room 1210  
 Washington, D.C. 20006 (office)
5. **Date and place of birth:**  
 June 3, 1944  
 Jacksonville, Florida
6. **Marital status:** (Include maiden name of wife or husband's name.)  
 Married, James Edward Terrell
7. **Names and ages of children:**  
 Angela Rani Terrell, 25  
 Mariessa Rebecca Terrell, 23  
 James Stephen Terrell, 19
8. **Education:** List secondary and higher education institutions, dates attended, degree received and date degree granted.  
 South High School, Akron, Ohio - 9/59 - 6/62, Diploma (June, 1962).

Howard University, Washington, D.C. - 9/62 - 6/66 B.A. (May 1966).

Antioch Graduate School of Education, Washington, D.C. - 8/68 - 7/70 M.A.T. (July 1970).

Georgetown University Law Center, Washington, D.C. - 9/75 - 5/80 J.D. (May 1980).

9. **Employment record:** List all jobs held since college, including the title or description of job, name of employer, location of work, and dates of employment. (Please use separate attachment, if necessary.)

Acting Director, Office of Equal Opportunity 6/7/96-7/8/96  
Federal Deposit Insurance Corporation  
801-17th Street, N.W.  
Washington, D.C. 20006

Associate Director, Legal Program Branch  
Federal Deposit Insurance Corporation 1/96-Present  
Office of Equal Opportunity  
801-17th Street, N.W.  
Washington, D.C. 20006

Senior Counsel/Director, Department of Legal Programs  
Resolution Trust Corporation 11/93-12/95  
Department of Legal Programs  
801-17th Street, N.W.  
Washington, D.C. 20006

Senior Counsel, Outside Counsel Management Section  
Resolution Trust Corporation 7/92-11/93  
Division of Legal Services  
1717 H Street, N.W.  
Washington, D.C. 20006

Counsel, Outside Counsel Management Section  
Resolution Trust Corporation 1/92-7/92  
Division of Legal Services  
1717 H Street, N.W.  
Washington, D.C. 20006

Counsel, Corporate Affairs Section  
Resolution Trust Corporation 12/90-12/91  
Division of Legal Services  
1717 H Street, N.W.  
Washington, D.C. 20006

Counsel, Litigation Section  
 Resolution Trust Corporation  
 1717 H Street, N.W.  
 Division of Legal Services  
 Washington, D.C. 20006

10/89-12/90

Senior Trial Attorney  
 Federal Home Loan Bank Board  
 1700 G Street, N.W. Washington, D.C. 20552  
 (Abolished, 1989 by the Financial Institution Reform, Recovery  
 and Enforcement Act of 1989)

3/89-10/89

Assistant United States Attorney  
 Office of the United States Attorney  
 District of Columbia  
 555-4th Street, N.W.  
 Washington, D.C. 20001

10/84-3/89

Adjunct Professor  
 Antioch School of Law  
 2633-16th Street, N.W.  
 Washington, D.C. 20002

1/87-6/87

Hearing Examiner  
 District of Columbia  
 Department of Public Works  
 65 K Street, N.E.  
 Washington, D.C. 20002

5/84-10/84

Consultant  
 HTR Enterprises (Export/Import Business)  
 Washington, D.C.

7/83-5/84

Guest  
 Brookings Institute  
 1775 Massachusetts Avenue, N.W.  
 Washington, D.C. 20036

1/83-7/83

Executive Assistant to the City Council Chairman  
 District of Columbia City Council  
 13th & Pennsylvania Avenue, N.W.  
 Washington, D.C. 20004

12/80-1/83

Legal Assistant  
 Mental Health Law Project  
 (Judge David L. Bazelon Center  
 for Mental Health Law)  
 1101-15th Street, N.W.  
 Washington, D.C. 20005-5002

6/80-11/80

Consultant

National Street Law Project  
(National Teen Crime and  
Community Program)  
711 G Street, S.E.  
Washington, D.C.

6/79-6/80

Director

Dix Street Academy  
District of Columbia  
Public Schools  
415 Pennsylvania Avenue, N.W.  
Washington, D.C. 20004  
Washington, D.C.

9/74-7/79

Assistant Professor of History

Administrative Director

Antioch Graduate School of Education  
Washington, D.C.

7/70-7/74

Peace Corps Volunteer

Andhra Pradesh, India  
Peace Corps  
1990 K Street, N.W.  
Washington, D.C. 20006

8/66-6/68

10. **Government experience:** List any advisory, consultative, honorary or other part-time service or positions with Federal, State or local governments, other than those listed above.

Member, Mayor's Budget Advisory Committee - 1/93 - 1/95  
Washington, D.C.

Member, Temporary Panel for Employee Appeals - 10/91 - 6/93  
Washington, D.C.

11. **Business relationships:** List all positions held as an officer, director, trustee, partner, proprietor, agent representative, or consultant of any corporation, company, firm, partnership, or other business enterprise, educational or other institution.

Consultant - HTR Enterprises  
Consultant - National Street Law Project  
Director - Dix Street Academy  
Director - Women's Bar Association  
Director - Federal Bar Association, D.C. Chapter  
Director - Washington Bar Association  
Secretary - District of Columbia Bar

12. **Memberships:** List all memberships and offices held in professional, business, fraternal, scholarly, civic, public,

charitable and other organizations.

Member, Steering Committee, Network of Black Women for Justice (1995-present).

Member, Friends of the D.C. Commission for Women (1996).

Member, District of Columbia Bar (1983-present).

Bar Association of the District of Columbia - Committee Chair (1988-1989).

Antioch School of Law Legal Service Board of Governors (1983-1986).

The Federal Bar Association, D.C. Chapter Board of Directors (1987-present).

Member, Federal Bar Association, D.C. Chapter (1987-Present).

The Washington Bar, NBA Convention Steering Committee (1988).

The Washington Bar, Law Day Dinner Committee (1993).

Washington Bar Association, Board of Directors (1995 - present).

Member, Washington Bar Association (1988-Present)

National Bar Association-Greater Washington Area Chapter, Women's Division of the National Bar Association - Judicial/Executive Nomination Committee (1990 and 1991).

National Bar Association-Judicial Selection Committee (1994-1995).

Member, National Bar Association (1990-Present).

Charlotte E. Ray American Inn of Court (1995 - present).

The National Association of Black Women Attorneys-Conference Steering Committee, (1990).

Member, National Association of Black Women Attorneys (1990-1994).

Women's Bar Association, Board of Directors (1990-1991).

Member, Women's Bar Association (1990-Present).

Member, Washington Urban League (1994-Present)



Member, National Political Congress of Black Women (1984-Present). Chair, Audit Committee (1994-Present), National Treasurer (1984-1991).

Washington Lawyers Against Drugs - Vice Chair (1985-1989).

Black Assistant United States Attorney Association (1984-1989).

Assistant United States Attorney Association (1984-present).

Voting Delegate- District of Columbia Judicial Conference (1985, 1986, 1987, 1995, 1996).

D.C. Bar Steering Committee to form a D.C. Anti-Drug Coalition (appointed, 1993).

Member, Deaconess Board, Second Baptist Church (1994-Present).

D.C. Bar Secretary, (1994-95), Member of the Executive Committee, Mandatory Continuing Legal Education Budget Task Force and Children's Initiative Committee (1994 - 1995).

Member, Hispanic Bar Association (1994-Present).

Member, National Association for the Advancement of Colored People (1990-Present)

African American Women in the Law Conference, National Planning Committee, Co-Chair Fundraising Committee (1995).

Member, Supreme Court of the United States (1995).

**13. Political affiliation and activities:**

(a) List all offices with a political party which you have held or any public office for which you have been a candidate.

Member of the D.C. Democratic State Committee 11/80-12/80.

(b) List all memberships and offices held in and services rendered to all political parties or election committees during the last 10 years.

Coordinated election day poll coverage for the Committee to Elect Tom Kelly for Ward 7 School Board, 1995.

Covered polls for Committee to Elect Gregory Dyson for Prince George's County Council, 1995.

Circulated petitions for the re-election of Congresswoman Eleanor Holmes Norton, 1996.

c) Itemize all political contributions to any individual, campaign organizations, political party, political action committee, or similar entity of \$50 or more for the past 5 years.

Congresswoman Cynthia McKinney- \$50.00.

John Ray-D.C. Mayoral Candidate-\$100.00.

Sharon Pratt Kelly-Mayoral Candidate-\$100.00.

Gregory Dyson-Prince George's County Council-\$200.00.

Carol Mosely Braun-Senate-\$50.00.

Sharon McPhail-Mayoral Candidate for Detroit-\$50.00.

Harry Singleton-City Council-at-Large-\$50.00.

Marion Barry-D.C. Mayoral Candidate-\$100.00.

Congresswoman Eleanor Holmes Norton-\$50.00.

14. **Honors and awards:** List all scholarships, fellowship, honorary degrees, honorary society memberships, military medals and any other special recognitions for outstanding service or achievements.

Terrell Jr. High School Certificate of Appreciation for Women's History Month (1996).

The Washington Urban League We Have A Story To Tell Award (1996).

RTC Special Act Award (1995).

D.C. Bar Certificate of Appreciation (1995).

Eagle's Award of the Bethune-DuBois Fund for Outstanding Service (1993).

National Bar Association Commercial Law Section Appreciation Award (1993).

Who's Who Among Black Americans (1991-1995).

RTC Outstanding Service Award (1991).

Federal Bar Association, D.C. Chapter Certificate of Appreciation (1990).

District of Columbia Public Schools Award for Outstanding and Dedicated Services to Students (1989).

FDIC Special Achievement Awards (1989, 1990).

University of the District of Columbia Certificate of Appreciation 4-H D.C. Project (1982).

Dix Street Academy Special Recognition Awards (1974, 1977, 1979).

Washington Urban League Certificate of Appreciation (1978).

15. **Published writings:** List the titles, publishers, and dates of books, articles, reports, or other published materials which you have written.

*Bangladesh: Another Victory over Colonialism*, Freedomways, Freedomways Associates, Inc. Third Quarter (1972).

*Indira Gandhi as World Leader*, Freedomways, Freedomways Associates, Inc. Third Quarter (1973).

*A Caucus Is Born*, Washington Post (August 21, 1984).

*Washington Lawyers against Drugs Launches Successful Drug Awareness Program*, WBA Newsletter, Women's Bar Association of the District of Columbia (Summer 1987).

*Washington Lawyers against Drugs: Responding to Community Needs*, The Forum, Newsletter of the District of Columbia Chapter Federal Bar Association (Spring/Summer 1990).

*Final Rule on Minority- and Women-Owned Business and Firm Program*, 60 Fed. Reg. 7660 (1995). (Subpart H, section 1717.70, 1617.71, Subpart J, section 1617.90, Subpart K, section 1617.100, Subpart L, section 1617.301)

16. **Speeches:** Provide the Committee with three copies of any formal speeches you have delivered during the last 5 years which you have copies of and are on topics relevant to the position for which you have been nominated.

I have not delivered any formal speeches in the last five years regarding topics relevant to the position for which I have been nominated.

I have been a panelist at many national conferences. I have given presentations relating to the goals and objectives of the RTC minority and women outreach program.

17. **Selection:**

(a) Do you know why you were chosen for this nomination by the President?

I was not informed of the reason I was chosen for this nomination by the President. I believe that my legal skills and ability, my standing in the legal community and my community service played a major role in the President's decision.

(b) What do you believe in your background or employment experience affirmatively qualifies you for this particular appointment?

The breadth and depth of my experience in criminal law, civil litigation and management, and my involvement in the bar and community affirmatively qualify me for appointment as an Associate Judge of the Superior Court.

The Criminal Division of the Superior Court of the District of Columbia had over 39,000 new filings in 1995. As an Assistant United States Attorney for the District of Columbia, I gained extensive trial experience as the lead prosecutor in 40 trials of misdemeanor and felony cases. Prior to trial, I drafted pre-trial motions, interviewed civilians, experts and police officers, reviewed evidence and developed trial strategies. During the trial of these cases, I made opening statements, presented witnesses and argued evidentiary matters, responded to arguments made by defendant's counsel and made persuasive closing arguments. Post-trial, I represented the government in all matters related to sentencing. My criminal law experience also includes finely honed investigative skills developed in the indictment of approximately 200 cases while I served in the Grand Jury Section. In addition, I also developed effective appellate advocacy skills while serving in the Appellate Section. These trial, investigative and appellate advocacy skills have provided me with the knowledge and expertise for placement on a criminal calendar in the Superior Court.

My experience in civil litigation is similarly extensive. In 1995, there were 10,000 civil actions in the Superior Court of the District of Columbia. As a Senior Trial Attorney in the General Counsel's office of the Federal Home Loan Bank Board and as Litigation Counsel for the Resolution Trust Corporation ("RTC"), I conducted investigations concerning breaches of fiduciary duties and other banking law violations. I

supervised complex commercial cases involving breach of contract, fraudulent conveyances, accounting, legal and broker malpractice, insurance and bond liability, real estate and contract fraud. This supervision included the review of summary judgment motions and participation in the development of discovery strategies. Thus, I am keenly familiar with civil litigation and will be able to manage a caseload of voluminous civil filings.

My ability to handle civil matters will be greatly enhanced by my expertise in Alternative Dispute Resolution ("ADR"). The Superior Court has a very active ADR Program through its Multi-Door Dispute Resolution Division, with over 50,000 cases mediated or arbitrated since its inception over 10 years ago. As Director of the Legal Department for the RTC's Minority and Women's Outreach Program, I implemented an ADR Program to resolve claims and disputes between outside counsel and the RTC Division of Legal Services. My knowledge of ADR procedures will enable me to facilitate mediation among counsel and conserve the resources of the court and the parties. Thus, my extensive ADR experience has prepared me for assignment on the court's civil calendars.

In addition to my extensive criminal law and civil litigation background, I have developed specialized knowledge in the areas of juvenile justice and mental health. The Superior Court had 3,931 juvenile cases in 1995 and for the same time period, the Superior Court had over 1,648 mental health/retardation matters. At the National Street Law Project, I designed and implemented the first model Street Law Diversion Program designed to divert youth offenders from the criminal justice system. My experience working with youthful offenders has prepared me for assignment to cases involving youthful offenders.

My expertise in the area of mental health was developed from my participation in a mental health law project. As a Legal Assistant at the Mental Health Law Project, since renamed the Judge David L. Bazelon Center for Mental Health Law, I monitored legal implementation of Dixon v. Weinberger, 405 F. Supp. 974 (D.D.C. 1975) which requires the development of community-based services for people with mental illness in the District of Columbia. My experience and knowledge in the area of mental competency and the District's civil commitment standards which arise in the cases of both young and adult offenders will be useful in addressing the many mental health issues before the Superior Court.

In the Superior Court there are more than 7,000 traffic cases. As a hearing examiner for the District of Columbia Department of Public Works, I conducted formal hearings on traffic violations. My knowledge of the traffic laws of the District

of Columbia will enable me to make sound decisions regarding traffic matters.

As a member of the Temporary Panel For Employee Appeals (TAP), I reviewed opinions of Administrative Law Judges (ALJs) who presided over adversary proceedings. This experience demonstrated to me the importance of preserving a complete record that can withstand the scrutiny of an appeal.

As the Acting Director of FDIC's Office of Equal Opportunity (OEO) and as the Associate Director of the OEO Legal Branch, I have had extensive administrative and managerial experience. This experience will make me an effective manager of a large case load. In addition, such managerial experience will be invaluable in managing judicial administrative functions.

I have also been involved in numerous bar associations. My participation has afforded me the opportunity to discuss issues related to the court with attorneys in all areas of practice. My bar experiences have increased my sensitivity to the concerns of attorneys in a way which will be useful in managing court proceedings.

My involvement as a citizen in a number of community organizations has given me the opportunity to meet with citizens from each segment of our city. This community involvement has given me a first hand view of the community issues that affect the operation of the Superior Court.

It is the totality of my experience as a prosecutor, litigator, administrator, bar activist and community advocate combined with my personal qualities of integrity, character, temperament and fairness that make me qualified to serve as an Associate Judge for the Superior Court of the District of Columbia.

#### B. FUTURE EMPLOYMENT RELATIONSHIPS

1. Will you sever all connections with your present employers, business firms, business associations or business organizations if you are confirmed by the Senate?

Yes.

2. Do you have any plans, commitments or agreements to pursue outside employment, with or without compensation, during your service with the government? If so, explain.

No.

3. Do you have any plans, commitments or agreement after

completing government service to resume employment, affiliation or practice with our previous employer, business firm, association or organization?

No.

4. Has anybody made a commitment to employ your services in any capacity after you leave government service?

No.

5. If confirmed, do you expect to serve out your full term or until the next Presidential election, whichever is applicable?

Yes.

#### C. POTENTIAL CONFLICTS OF INTEREST

1. Describe all financial arrangements, deferred compensation agreements, and other continuing dealings with business associates, clients or customers.

I am currently employed by the Federal Deposit Insurance Corporation with a salary of \$111,315 annually. I am enrolled in the FDIC Savings Plan (401(k)), currently valued at \$76,029.48.

2. Indicate any investments, obligations, liabilities, or other relationships which could involve potential conflicts of interest in the position to which you have been nominated.

I have limited investments in LTX Semiconductor, Cypress Semiconductor, and Seligman Fund (IRA). In addition I am a member of the FDIC 401K Plan.

3. Describe any business relationship, dealing or financial transaction which you have had during the last 10 years, whether for yourself, on behalf of a client, or acting as an agent, that could in any way constitute or result in a possible conflict of interest in the position to which you have been nominated.

None.

4. Describe any activity during the past 10 years in which you have engaged for the purpose of directly or indirectly influencing the passage, defeat or modification of any legislation affecting the administration and execution of law or public policy.

I am a member of the Executive Committee of the National Political Congress of Black Women (NPCBW). Over the past few years, the NPCBW initiated a campaign against "Gangsta Rap." I have not personally participated in this campaign.

I have testified before the U.S. House of Representatives, Subcommittee on General Oversight and Investigations, and the Resolution of Failed Financial Institutions, Committee on Banking, Finance, and Urban Affairs, Tuesday, March 23, 1994, regarding the Resolution Trust Corporation's Minority and Women-Owned Programs mandated by the Financial Institution Reform, Recovery and Enforcement Act of 1989.

5. Explain how you will resolve any potential conflict of interest, including any that may be disclosed by your responses to the above items. (Please provide copies of any trust or other agreements.)

I will review all potential conflicts to comply with the Canons of Judicial Conduct.

I have decided to resign from the Executive Committee of the National Political Congress of Black Women which advocates political empowerment for African American women; the Network of Black Women for Justice which will set forth a legislative agenda for the black community; and the Friends of the D.C. Commission for Women which is an advocacy group for women and testifies before the City Council of the District of Columbia.

To avoid even the appearance of any conflicts of interest, I will recuse myself from any decisions involving any of the securities or any other interests which I may acquire or the individuals or firms managing my assets and liabilities.

I will disclose any prior relationship as necessary and will recuse myself in any case where there is a conflict of interest or the appearance of a conflict.

If confirmed, I will schedule a session with Henry F. Schuelke III, of the Judicial Commission on Disabilities and Tenure to discuss and review matters in Sections C and D. I will also meet with a member of the Advisory Committee on Judicial Conduct, District of Columbia Courts.

6. Do you agree to have written opinions provided to the committee by the designated agency ethics office of the agency to which you are nominated and by the Office of Government Ethics concerning potential conflicts of interest of any legal impediments to your serving in this position?

Yes.



## D. LEGAL MATTERS

1. Have you ever been disciplined or cited for a breach of ethics for unprofessional conduct by, or been the subject of a complaint to any court, administrative agency, professional association, disciplinary committee, or other professional group? If so, provide details.

No.

2. Have you ever been investigated, arrested, charges or held by any Federal, State, or other law enforcement authority for violation of any Federal, State, county or municipal law, regulation or ordinance, other than a minor traffic offense? If so, provide details.

No.

3. Have you or any business of which you are or were an officer ever been involved as a party in interest in any administrative agency proceeding or civil litigation? If so, provide details.

I was appointed personal representative to probate the estate of my uncle who died intestate. D.C. Superior Court, Probate Division, approved the distribution of the assets on July 31, 1995.

In an effort to clear title to my residence, a civil lawsuit was filed in D.C. Superior Court in order to provide my husband and me with a clear title to our residence at 3118 Westover Dr. S.E. In First American Title as Subrogee to James and Mary Terrell v. David Galfond et al., Columbia Real Estate Title Insurance was held liable for failure pay the first trust holder after the residence was refinanced. On March 28, 1993, the court rendered judgment against Columbia Real Estate Title Insurance Company for the amount of the first trust, which prevented foreclosure under the note and cleared title to our residence.

Garfinkels, a department store, brought a claim in small claims court to secure a balance of \$414.87 which it claimed was due and owing on merchandise sold. In Superior Court of the District of Columbia, Small Claims Branch, Garfinkels, Brooks Brothers, Miller & Rhoades, Inc., t/a Garfinkels v. Mary Ann Terrell and James E. Terrell, a default judgment was entered on June 27, 1977. We did not receive notice of the court date. The total sum was paid with no attorney fees. The judgment was vacated on May 11, 1978.

In 1973, when Antioch College decided to close the Antioch Graduate School of Education, Washington Center, the faculty and students filed a complaint for injunctive relief to keep the school open and for breach of contract. As a member of the faculty, I joined in filing the complaint in the United States District Court for the District of Columbia, captioned Thomas J. Porter, Mary Terrell, Jane Power, et al. v. Board of Trustees of Antioch College Graduate School of Education, Mrs. Jean Camper Kahn. The Washington Center was closed in July 1974, faculty contracts were not renewed and the students worked out a settlement with Antioch. The faculty decided not to pursue its claims.

4. Have you ever been convicted (including pleas of guilty or *nolo contendere*) of any criminal violation other than a minor traffic offense?

No.

5. Please advise the Committee of any additional information, favorable or unfavorable, which you feel should be considered in connection with your nomination.

In 1992, the RTC Office of Inspector General conducted an investigation of an allegation that I may have inappropriately solicited letters of recommendation in support of my application for the Senior Counsel position for the Minority and Women Outreach Program, Division of Legal Services. After a thorough investigation, the Inspector General issued a report on July 30, 1992, stating no action was warranted because the allegation was not substantiated. I was appointed to the position of Senior Counsel for the Minority and Women Outreach Program.

#### E. FINANCIAL DATA

(Retained in Committee Files)

## SUPPLEMENT FOR D.C. JUDGE NOMINEES

## F. QUESTIONS CONCERNING STATUTORY QUALIFICATIONS PURSUANT TO DISTRICT OF COLUMBIA COURT REFORM AND CRIMINAL PROCEDURE ACT OF 1970, SEC. 11-1501(b) OF THE D.C. CODE AS AMENDED

1. Are you a citizen of the United States?  
Yes.
2. Are you a member of the bar of the District of Columbia?  
Yes.
3. Have you been a member of the District of Columbia Bar for at least 5 years? (Give year in which you became a member.)  
Yes. I became a member of the District of Columbia Bar in 1983.
4. If the answer to No. 3 is "No"
  - (a) Are you a professor of law in a law school in the District of Columbia?
  - (b) Are you an attorney employed in District of Columbia by the United States or the District of Columbia?
  - (c) Have you been eligible for membership in the bar of the District of Columbia for at least 5 years?
  - (d) Upon what grounds is that eligibility based?
5. Are you a bona fide resident of the District of Columbia?  
Yes.
6. Please state the addresses of your actual places of abode (including temporary residences) with dates of occupancy for the least 5 years.  
  
I have resided at  
3118 Westover Dr. S.E.  
Washington, D.C. 20020, for the last 15 years.
7. Have you maintained an actual place of abode in such area for at least 5 years?  
  
Yes.



8. Are you a member of the District of Columbia Commission on Judicial Disabilities and Tenure of the District of Columbia Judicial Nomination Commission?

No.

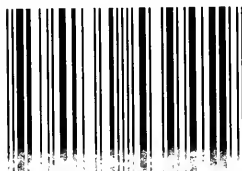
9. Have you been a member of either Commission within the last 12 months?

No.





ISBN 0-16-053945-5



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